

**STATE OF SOUTH DAKOTA  
DEPARTMENT OF LABOR AND REGULATION  
BOARD OF ACCOUNTANCY**

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**In the Matter of:**

Richard Flügge and FDJ, LLC,  
Licensees.

**CONSENT AGREEMENT**

**Case Nos. 113-23 and 114-23**

**License Nos. CPA 193, 1712**

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Pursuant to South Dakota Codified Laws (SDCL) 36-1C-6 and 1-26-20, in consideration of the above-captioned matter, and as the full and final resolution of this matter, the undersigned parties do hereby consent and agree to the following:

1. The South Dakota Department of Labor and Regulation, Board of Accountancy (Board) has jurisdiction over this matter pursuant to SDCL Chapter 36-20B.
2. ARSD 20:75:05:04 requires licensees to "exercise due professional care in the performance of professional services" and "adequately plan and supervise the performance of professional services".
3. SDCL 36-20B-40(6) authorizes the Board to impose discipline upon a licensee for a violation "of any provision of this chapter or rule, promulgated by the board pursuant to chapter 1-26, or violation of professional standards".
4. Disciplinary action may include reprimand of the licensee pursuant to SDCL 36-20B-40.
5. RICHARD FLUGGE (Licensee) is licensed by the Board as a certified public accountant, with certificate number 193, and has been so licensed since February 13, 1970.

6. FDJ, LLC is a business entity and holds a firm registration from the Board which is number 1712. Although not the sole legal owner, Licensee is the sole CPA at the firm.
7. On March 24, 2023, a written complaint was filed against FDJ, LLC alleging the FDJ, LLC failed to timely file the 2021 tax return of the complaining party. The complainant reported interacting with a non-CPA partner of the firm.
8. On April 4, 2023, Licensee responded to the complaint indicating that he had discussed the complaint with the non-CPA partner who did not dispute the allegations. Licensee noted that the taxes had subsequently been filed and that the non-CPA partner was no longer associated with the firm.
9. The above-described conduct constitutes grounds for discipline pursuant to SDCL 36-20B-40(6) with reference to ARSD 20:75:05:04.
10. Licensee is aware of and understands the nature of this matter. Licensee acknowledges that he has been informed of various rights he has in this matter. These rights include, but are not limited to, the right to:
  - a. be represented by a lawyer in this matter;
  - b. receive notice of any hearing in this matter;
  - c. have a contested case hearing, as defined in SDCL 1-26-1(2). A contested case hearing includes the right of the licensee to be present at the hearing, be represented by legal counsel, introduce evidence, present testimony, call witnesses to testify, cross-examine

all witnesses present, and submit argument on his or her own behalf;  
and

- d. appeal any decision based on the contested case hearing to circuit court and the South Dakota Supreme Court, as provided by law.

Licensee agrees that, by signing this Consent Agreement, Licensee voluntarily waives all of these rights, procedures, and proceedings before the Board. Licensee further waives any other rights to which he may be entitled under state or federal law as applicable to this matter.

11. Licensee is not represented by an attorney in this matter and is representing himself in this matter.
12. Licensee understands that by entering into this Consent Agreement, the Board is making a finding that Licensee violated ARSD 20:75:05:04 and is subject to discipline pursuant to SDCL 36-20B-40(6). In addition, Licensee understands that by entering into this Agreement, the Board is taking formal disciplinary action against Licensee.
13. In return for Licensee's agreement to the provisions of this Consent Agreement, the Board agrees not to proceed to formal hearing in this matter and agrees that this Consent Agreement will constitute the final Board disposition of this matter.
14. Licensee agrees that this Consent Agreement shall serve as the final resolution of this matter, including any appeal. Licensee also agrees, in lieu of further contesting this matter, this Consent Agreement shall serve as a

**FORMAL REPRIMAND** for the violations noted in this agreement. A copy of this Consent Agreement shall be placed in Licensee's file with the Board.

15. If not already done, Licensee also agrees to notify the complaining party in writing within 15 days of the effective date of this agreement as to the status of their 2021 tax return. Licensee shall provide to the Board office verification that this has been completed within 20 days of the effective date of this agreement.
16. Licensee understands and agrees that the terms of this Consent Agreement shall be public.
17. Licensee consents, agrees, and acknowledges that this Consent Agreement must be submitted to the Board at a public meeting for acceptance or rejection. If the Board rejects this Consent Agreement, Licensee waives any right to claim prejudice or to request recusal of any Board member by reason of any factual basis submitted to the Board in an effort to resolve this matter by Consent Agreement rather than by formal proceeding.
18. Licensee understands that nothing in this Consent Agreement will be deemed to restrict the Board from raising facts in reference to Licensee outside of those set forth in this Consent Agreement, if there are other material facts related to the matters under investigation that have not been set forth or disclosed herein.

19. Licensee understands that this Consent Agreement may be considered in any future licensing matters with the Board and for the purposes of determining the appropriate sanctions in any future actions by the Board for any violations of laws or regulations of the State of South Dakota or for failing to abide by any order or decision of the Board.
20. Licensee has read, understands, and agrees to this Consent Agreement and is freely and voluntarily signing it. This Consent Agreement contains the entire agreement between the parties relating to the matters referenced in the Consent Agreement. Licensee is not relying on any other representations of any kind, verbal or otherwise.
21. Licensee agrees to waive any rights and procedures afforded him under SDCL Chapters 1-26, 36-20B, 36-1C, and ARSD Article 20:75.
22. If this Consent Agreement is approved by the Board, a copy of the executed Consent Agreement will be served by first class mail on Licensee by mailing a copy to his address on file with the Board.
23. This Consent Agreement shall be effective on the date it is signed by the Board Chair.

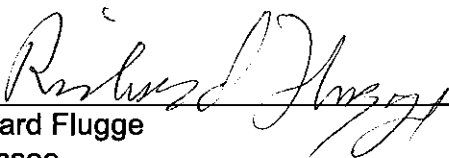
Dated this 20 day of July 2023.  
(month)

  
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Deirdre Budahl  
Board Chair

### CONSENT AND ACKNOWLEDGMENT

By signing below, I accept and agree to the terms of this Consent Agreement. I agree that I have read and understand the terms of this Consent Agreement and I understand that I am waiving my due process rights and my right to a hearing. I am freely and voluntarily entering into this agreement.

Dated this 14<sup>th</sup> day of JUNE 2023.  
(month)

  
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Richard Flugge  
Licensee