EXAMINATION REPORT

Pennsylvania Liquor Control Board

Fine Wine and Good Spirits

Store 0266

521 Beaver Street
Sewickley, Pennsylvania 15143
For the Period
July 14, 2025 to July 6, 2026

August 2026

Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General

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TIMOTHY L. DEFOOR
AUDITOR GENERAL

The Honorable Darrell Clarke, Chairman
Pennsylvania Liquor Control Board
518 Northwest Office Building
Harrisburg, PA 17124

Dear Chairman Clarke:

We have performed an examination of Fine Wine and Good Spirits Store 0266, Allegheny County, District 3-03, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period July 14, 2025 to July 6, 2026.

This report presents the results of the Department of the Auditor General's examination of store operations under the jurisdiction of the Pennsylvania Liquor Control Board (PLCB). The examination was conducted under statutory authority provided under 47 P.S. § 3-306 of the Pennsylvania Liquor Code.

This examination was conducted only to the extent that we considered necessary to determine if the wine and spirits store operated in compliance with PLCB operating procedures. The examination was not conducted, nor was it required to be, in accordance with professional auditing or attestation standards.

Our examination included:

- Conducting a physical inventory count for a selection of liquor codes and comparing our results to the store's perpetual inventory records to determine whether inventory variances exceed 1% of the value examined;

- Reviewing deposits, consisting of cash and checks deposited manually and credit and debit card receipts deposited electronically, to determine whether deposits were appropriately accounted for and agreed with PLCB financial records;

- Reviewing Clerk Performance Reports, Ad Hoc Reports, Shipment Invoices, and Transfer Reports to determine the store's compliance with PLCB internal controls;

- Performing a count of all cash on hand to determine whether the store's cash on hand agrees with supporting store documents and bank records, and verifying whether the total store operating fund charged to the store agrees with the amount provided by the PLCB;

- Performing tests of Licensee Sales, Tax-Exempt Sales, Minor Challenges, System Prices, Register Voids, Register Deposits, and Breakage/Adjustment Controls to determine whether store operations were in compliance with PLCB operating procedures;

- Selecting liquor codes and verifying that the sales price in the store system agrees to the PLCB's approved price list; and,

- Locating and verifying that all PLCB capital assets are present at the store and comparing our results to the PLCB fiscal year asset equipment list for accuracy.

The results of our examination found that Fine Wine and Good Spirits Store 0266 operated in compliance with all PLCB operating procedures falling within the scope of our examination, except as noted in the following findings and discussed later in this report. These matters were discussed with appropriate personnel and are intended to assist you in improving internal controls.

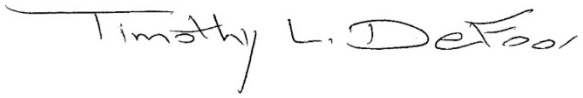
Finding No. 1 – Prevention of Sales to Minors – Repeat Finding

Finding No. 2 – Tax-Exempt Sales - Improper Documentation

We would like to thank store management for their cooperation extended to us during the conduct of the examination.

If you have any questions concerning this report, please contact the Bureau of Liquor Control Audits at (717) 783-1236.

Sincerely,



Timothy L. DeFoor
Auditor General
August 21, 2026

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BACKGROUND

The Pennsylvania Liquor Control Board (PLCB) operates a diverse network of retail and wholesale distribution facilities across the Commonwealth, including Premium Collection Stores, One-Stop/Supermarket Stores, Taste & Learn Stores, Lottery Locations, Wholesale Stores/Licensee Service Centers (LSCs) and an online E-Commerce Store. Each of these store types serves a distinct function – ranging from public retail and licensee fulfillment to education, special product releases, and bulk distribution.

The Department of the Auditor General's authority to examine PLCB store operations is derived from Section 306 of the Pennsylvania Liquor Code (47 P.S. § 3-306).

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0266
FINDINGS AND RECOMMENDATIONS

Finding No. 1 - Prevention of Sales to Minors – Repeat Finding

Condition

Our examination of the number of age verifications based on the volume of transactions completed between April 1, 2026, and July 6, 2026, were only performed at a rate of less than 1.25%.

Criteria

The PLCB Bureau of Retail Operations, Responsible Sale Policy, BRO-0010, states that the cornerstone of the PLCB and the basic purpose of the agency's existence is to control the sale of alcohol. PLCB has the right and duty to refuse service to any customer who appears to be under 35 years of age and who cannot produce an acceptable form of identification. Preventing illegal sales cannot be overemphasized. It also states that an employee may be subject to disciplinary, as well as legal action, including criminal prosecution for violations.

Prudent business practice dictates that for the effective control over the prevention of alcohol sales to minors; a certain percentage of age verifications should be performed based on the volume of transactions at a given Fine Wine & Good Spirits location to avoid sales to potential underage drinkers. All age verifications should be documented.

Cause

Store management again failed to establish adequate internal control procedures to ensure that based on the volume of transactions at the store location an appropriate number of age verifications are performed and documented in order to prevent sales to minors.

Effect

Sales to individuals found to be under 21 years of age could result in disciplinary and legal action. Additionally, failure to follow applicable procedures and prudent practices weakens the PLCB's efforts toward responsible alcohol management and the prevention of sales to minors.

Finding No. 1 – (Continued)

Recommendation

We again recommend that store management implement adequate procedures to ensure that anyone who appears to be under the age of 35 be considered a potential underage drinker and be asked to provide proper identification in accordance with PLCB's Prevention of Sales to Minors Procedures.

Management Response

The general manager agreed with the finding but stated most customers who purchase at this location are of age without question.

Examiner's Conclusion

Compliance may be subject to verification in the next examination.

Finding No. 2 – Tax-Exempt Sales - Improper Documentation

Condition

Our examination of the store's tax-exempt sales disclosed that it was not in compliance with PLCB Tax-Exempt Sales procedures and the Revenue Code regarding required documentation. We examined 16 invoices for tax-exempt sales and found the following documentation discrepancies:

REV-1220 form Discrepancies

- 8 REV-1220 forms were not signed on the date of purchase and had incomplete purchaser and seller information.
- 1 REV-1220 form was not on file.

REV-1715 forms Discrepancies

- 3 forms were missing customer signature and vendor declaration information.

Criteria

The Revenue Code, 61 Pa. Code § 32.2(b) states, in part, a seller who accepts an exemption certificate in good faith is relieved of the sales tax liability. The seller is to retain physical possession of the certificate.

PLCB's Tax Exempt Sales Policies, BRO-0052 and BRO-0052.1, effective January 18, 2021, state that a purchaser must present a valid Tax-Exempt certificate, REV-1220, for ***each*** purchase, the certificate must be signed and dated by the purchaser at the time of purchase, and the completed certificate must be attached to the store copy of the invoice and filed accordingly. For purchases exceeding $200 or more, purchasers claiming exemption from sales tax shall also complete REV-1715 Declaration of Sales Tax Exemption and a signed, original REV-1220 and REV-1715 is to be retained by the store.

Cause

Store management again failed to establish adequate internal control procedures to ensure that the store clerks followed the PLCB Tax-Exempt sales procedures.

Finding No. 2 – (Continued)

Effect

As a result of the store not complying with PLCB tax-exempt sales procedures, the store may be providing tax exemptions to non-exempt customers, this results in a loss of revenue to the Commonwealth. Additionally, non-compliance with the Revenue Code could result in the PLCB being liable for the sales tax that was exempted.

Recommendation

We recommend that store management take appropriate action to ensure that its employees follow the PLCB procedures for tax-exempt sales and comply with the Revenue Code's documentation requirements.

Management Response

General Manager agreed with the finding and stated proper procedures will be reviewed with staff.

Examiner's Conclusion

Compliance may be subject to verification in the next examination.

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0266
PRIOR FINDINGS AND RECOMMENDATIONS

STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS

Random Sample Shortages

Our prior examination of a random sample of the store's inventory reported an inventory discrepancy exceeding $200 between actual and perpetual inventory. Store management complied with our recommendation.

Prevention of Sales to Minors

Our prior examination reported noncompliance with PLCB Minor Challenge procedures - Prevention of Sales to Minors procedures. Store management failed to comply with our recommendation (see Finding No. 1).

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 0266
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Darrell Clarke
Chairman
Pennsylvania Liquor Control Board

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Assistant Director
PLCB Audit Services Division/Bureau of Audits
Pennsylvania Office of the Budget

Rodrigo Diaz
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Pennsylvania Liquor Control Board

Angela Blecher
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Pennsylvania Liquor Control Board

Angela Schaul
Director of Store Operations
Pennsylvania Liquor Control Board

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