

# EXAMINATION REPORT

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Pennsylvania Liquor Control Board  
Fine Wine and Good Spirits  
Store 2342

1083 West Baltimore Pike  
Media, Pennsylvania 19063

For the Period  
January 30, 2025 to January 21, 2026

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March 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 2342, Delaware County, District 1-05, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period January 30, 2025 to January 21, 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 differences in excess of \$200 in value exists for these codes;
- 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 2342 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 – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding

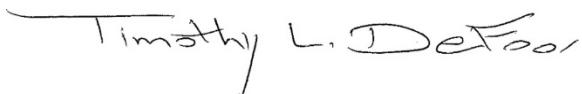
Finding No. 2 – Tax-Exempt Sales – Improper Documentation – Repeat Finding

Finding No. 3 – Internal Control Weakness – Transferred Inventory

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  
March 3, 2026

## CONTENTS

Background.....	1
Findings and Recommendations:	
Finding No. 1 – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding .....	2
Finding No. 2 – Tax-Exempt Sales – Improper Documentation – Repeat Finding .....	5
Finding No. 3 – Internal Control Weakness – Transferred Inventory.....	7
Prior Findings and Recommendations.....	9
Report Distribution List .....	10

## **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 2342  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 1 – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding**

**Condition**

A random sample count of 60 liquor codes, comprised of 2,445 units valued at \$96,831.59, was performed on January 22, 2026. We compared PLCB perpetual inventory records for the 60 liquor codes to actual inventory on hand and found discrepancies with an error rate greater than 1% of the value examined or \$968.32. The perpetual inventory records and the actual inventory count matched 47 codes; however, the following 13 codes had discrepancies between the actual inventory and the perpetual inventory records:

<b>Discrepant Code Item Number</b>	<b>Physical Count</b>	<b>Perpetual Inventory</b>	<b>Difference</b>	<b>Retail Cost Per Unit</b>	<b>Total Value</b>
1	68	94	(26)	\$19.99	(\$519.74)
<b>*2</b>	<b>125</b>	<b>136</b>	<b>(11)</b>	<b>\$26.99</b>	<b>(\$296.89)</b>
3	4	11	(7)	\$149.99	(\$1,049.93)
4	11	17	(6)	\$89.99	(\$539.94)
5	69	72	(3)	\$19.99	(\$59.97)
6	9	12	(3)	\$56.99	(\$170.97)
7	20	22	(2)	\$174.99	(\$349.98)
8	27	29	(2)	\$59.99	(\$119.98)
9	5	6	(1)	\$179.99	(\$179.99)
10	0	1	(1)	\$24.99	(\$24.99)
11	29	30	(1)	\$64.99	(\$64.99)
12	6	5	1	\$189.99	\$189.99
13	169	101	68	\$19.99	\$1,359.32

***\* This code was also noted as a discrepancy in the prior examination report.***

As indicated in the table above, one of the 13 discrepant inventory codes were also noted as discrepant in the prior examination count and reported to PLCB. Since corrective action was received from management for the prior three recent examinations, procedures were either not implemented or were not operating effectively to prevent their recurrence.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2342  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 1 – (Continued)**

Examination of breakage and adjustments reports disclosed that three of the 13 discrepant items found during our random inventory count were the same items adjusted between September 01, 2025, through November 30, 2025, as illustrated below:

Discrepant Code Item Number	Description	Units	Date
2	(+ ) Code change – authorized by C.O. only	152	10/16/2025
10	Transfer (Lab/Wine Tasting)	(1)	10/04/2025
12	Stock In	3	11/04/2025

Errors or inaccuracies with these adjustments could have contributed to the discrepancies noted above.

Examination of the 20 most recent shipment invoices did not disclose any issues during deliveries.

On January 27, 2026, PLCB management was notified of the differences between actual inventory and the PLCB's perpetual inventory records so that the PLCB could investigate the differences and make appropriate adjustments to its inventory records.

**Criteria**

The PLCB Manual of Instructions, Chapter 710-14, Random/Complete Physical Inventory Comparison establishes procedures that require stores management to maintain accurate perpetual inventory records.

**Cause**

Management stated that contributing factors include, but are not limited to, multiple changes in management and staff and, due to the quick turnover in management, inventory discrepancies have been neglected.

**Effect**

Unacceptable inventory discrepancies demonstrate an inability to properly manage PLCB merchandise, reduce the ability of the Board to accurately maintain records of profit and loss, and may result in a reduction in PLCB revenue.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2342  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 1 – (Continued)**

**Recommendation**

We again recommend that the store management investigate this situation and take whatever action it deems necessary to bring inventory discrepancies within the parameters established by the Board.

**Management Response**

The general manager agreed with the finding and will address this with the employees at the next staff meeting.

**Examiner's Conclusion**

Compliance along with any corrective action taken will be subject to verification in subsequent examination.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2342  
FINDINGS AND RECOMMENDATIONS**

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

**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 four invoices for tax-exempt sales and found the following documentation discrepancies:

<b>Date</b>	<b>Invoice Number</b>	<b>Total Price</b>	<b>Discrepancy</b>
05/16/2025	02342003447020250516	\$498.70	<ul style="list-style-type: none"><li>• REV-1220 not attached.</li><li>• REV-1715-not attached.</li></ul>

**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.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2342  
FINDINGS AND RECOMMENDATIONS**

**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 customers that should not be receiving them, which 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 tax that was exempted.

**Recommendation**

We again 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**

The acting General Manager agreed with the finding and will ensure that the staff understands proper procedures and what forms are required to accurately complete tax-exempt sales.

**Examiner's Conclusion**

We are concerned about the failure to comply with the three prior findings and encourage compliance at the earliest opportunity to do so.

Compliance along with any subsequent corrective action taken will be subject to verification in the subsequent examination.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2342  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 3 – Internal Control Weakness – Transferred Inventory**

**Condition**

Our examination of 15 transfers into and out of the store indicated that the store was not completing merchandise transfers within a reasonable period. We found one transfer which took longer than 30 days to complete, as illustrated on the table below:

**Active Transfers**

<b><u>Dispatch Date</u></b>	<b><u>Transfer Number</u></b>	<b><u>Number of Codes</u></b>	<b><u>Transferred From</u></b>	<b><u>Transferred To</u></b>	<b><u>Status</u></b>	<b><u>Days Active</u></b>
10/28/2025	200002180	2	LS 2320	LS 2342	In Shipping	85

**Criteria**

Prudent business practices dictate that merchandise transferred into or out of a retailer’s store should be integrated into or subtracted from the inventory in a timely fashion.

**Cause**

Store management failed to establish adequate internal control procedures to ensure the receipt of transferred inventory was monitored on a timely basis.

**Effect**

These discrepancies may result in an unacceptable risk of loss, theft, damage, or misuse of inventory.

**Recommendation**

We recommend that the PLCB update and clarify existing policies regarding the timetable for the dispatch and receipt of transferred merchandise. In the interim, we recommend that store management monitor inventory levels and ensure that transfers are completed and integrated into or subtracted from the store’s inventory within 30 days of receipt. If problems with transfers persist, district and regional management should be contacted to resolve the issues as quickly as possible.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2342  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 3 – (Continued)**

**Management’s Response**

The manager acknowledged the finding and will address this issue with employees at the next staff meeting.

**Examiner’s Conclusion**

Compliance along with any corrective action taken will be subject to verification in subsequent examination.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2342  
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 failed to comply with our recommendation (see Finding No. 1).

**Tax-Exempt Sales**

Our prior examination reported noncompliance with PLCB Tax-Exempt Sales procedures – Improper Documentation. Store management failed to comply with our recommendation (see Finding No. 2).

**Handling of Cash and Checks**

Our prior examination reported noncompliance with PLCB Handling of Cash and Checks procedures - Excessive Cash in Register Drawers. Store management complied with our recommendation.

**IRC Policy**

Our prior examination reported noncompliance with PLCB Instant Redeemable Coupons (IRC) policy. Store management complied with our recommendation.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2342  
REPORT DISTRIBUTION LIST**

This report was initially distributed to the following:

**The Honorable Darrell Clarke**  
Chairman  
Pennsylvania Liquor Control Board

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

**Rodrigo Diaz**  
Executive Director  
Pennsylvania Liquor Control Board

**Angela Blecher**  
Chief Financial Officer  
Pennsylvania Liquor Control Board

**Angela Schaul**  
Director of Store Operations  
Pennsylvania Liquor Control Board

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