

EXAMINATION REPORT

Pennsylvania Liquor Control Board Fine Wine and Good Spirits Store 5104

1940 South Christopher Columbus Boulevard
Philadelphia, Pennsylvania 19148

For the Period
August 21, 2024 to September 2, 2025

October 2025



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 5104, Philadelphia County, District 1-01, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period August 21, 2024 to September 2, 2025.

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.

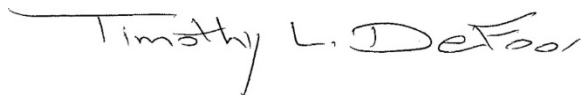
The results of our examination found that Fine Wine and Good Spirits Store 5104 operated in compliance with all PLCB operating procedures falling within the scope of our examination, except as noted in the following finding and discussed later in this report. This matter was discussed with appropriate personnel and is intended to assist you in improving internal controls.

Finding – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding

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,

A handwritten signature in black ink that reads "Timothy L. DeFoor". The signature is written in a cursive, flowing style.

Timothy L. DeFoor
Auditor General
October 3, 2025

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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 5104
FINDING AND RECOMMENDATION**

Finding – Inventory Discrepancy Exceeding 1% of the Value Examined – Repeat Finding

Condition

A random sample count of 60 liquor codes, comprised of 5,237 units valued at \$211,499.75, was performed on September 03, 2025. We compared PLCB perpetual inventory records for the 5,237 liquor codes to actual inventory on hand and found discrepancies with an error rate greater than 1% of the value examined or \$2,115.00. The perpetual inventory records and the actual inventory count matched 37 codes; however, the following 23 codes had discrepancies between the actual inventory and the perpetual inventory records:

Discrepant Code Item Number	Physical Count	Perpetual Inventory	Difference	Retail Cost Per Unit	Total Value
1	160	203	(43)	\$39.99	(\$1,719.57)
*2	308	343	(35)	\$19.99	(\$699.65)
3	23	51	(28)	\$59.29	(\$1,660.12)
4	89	114	(25)	\$27.19	(\$679.75)
5	40	61	(21)	\$64.99	(\$1,364.79)
6	87	108	(21)	\$29.99	(\$629.79)
7	183	204	(21)	\$19.99	(\$419.79)
8	33	52	(19)	\$99.99	(\$1,899.81)
9	605	620	(15)	\$7.09	(\$106.35)
10	32	45	(13)	\$89.99	(\$1,169.87)
11	266	278	(12)	\$31.99	(\$383.88)
*12	99	109	(10)	\$29.99	(\$299.90)
13	87	95	(8)	\$29.99	(\$239.92)
14	62	67	(5)	\$52.99	(\$264.95)
*15	102	107	(5)	\$54.99	(\$274.95)
16	9	12	(3)	\$274.99	(\$824.97)
17	0	2	(2)	\$11.93	(\$23.86)
18	24	23	1	\$179.99	\$179.99
19	185	181	4	\$17.99	\$71.96
20	64	59	5	\$63.99	\$319.95
*21	252	231	21	\$31.99	\$671.79
22	279	249	30	\$26.99	\$809.70
23	189	144	45	\$9.39	\$422.55

** These codes were also noted as discrepancies in the prior examination report.*

**COMMONWEALTH OF PENNSYLVANIA
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FINE WINE AND GOOD SPIRITS STORE 5104
FINDING AND RECOMMENDATION**

Finding – (Continued)

During examination of breakage and adjustments reports, it was noted that 15 of the discrepant codes noted above, found during this random inventory count, were the same items adjusted between May 01, 2025, through July 31, 2025, as illustrated below:

Discrepant Code Item Number	Reason Code	Description	Units	Date
1	87	Stock In	11	05/27/2025
2	76	Unit Sales Increase SOH	1	07/23/2025
2	76	Unit Sales Increase SOH	12	07/23/2025
2	76	Unit Sales Increase SOH	1	07/23/2025
2	76	Unit Sales Increase SOH	1	07/23/2025
2	76	Unit Sales Increase SOH	1	07/23/2025
2	76	Unit Sales Increase SOH	2	07/23/2025
2	76	Unit Sales Increase SOH	1	07/23/2025
2	76	Unit Sales Increase SOH	1	07/23/2025
2	76	Unit Sales Increase SOH	1	07/23/2025
2	88	Stock Out	-14	06/18/2025
2	88	Stock Out	-22	07/23/2025
3	102	Breakage by customer	-1	06/08/2025
3	87	Stock In	22	06/11/2025
3	88	Stock Out	-1	06/12/2025
3	371	(-) Shoplifting/ Theft	-1	05/23/2025
3	371	(-) Shoplifting/ Theft	-1	05/14/2025
3	371	(-) Shoplifting/ Theft	-2	06/02/2025
4	87	Stock In	11	06/21/2025
6	88	Stock Out	-2	06/21/2025
6	371	(-) Shoplifting/ Theft	-1	07/28/2025
9	88	Stock Out	-24	06/11/2025
11	87	Stock In	9	05/20/2025
11	88	Stock Out	-15	06/11/2025
11	88	Stock Out	-1	05/14/2025
11	371	(-) Shoplifting/ Theft	-7	06/01/2025
11	371	(-) Shoplifting/ Theft	-1	07/18/2025
11	371	(-) Shoplifting/ Theft	-1	06/26/2025

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 5104
FINDING AND RECOMMENDATION**

Finding – (Continued)

Discrepant Code Item Number	Reason Code	Description	Units	Date
11	371	(-) Shoplifting/ Theft	-1	06/02/2025
11	123	Pushed cork, loose or leaky cap, broken closure or spout	-1	07/15/2025
12	87	Stock In	1	06/21/2025
12	88	Stock Out	-1	06/03/2025
12	88	Stock Out	-1	05/30/2025
12	371	(-) Shoplifting/ Theft	-1	07/06/2025
13	87	Stock In	13	06/07/2025
13	87	Stock In	8	06/21/2025
14	87	Stock In	18	06/08/2025
14	88	Stock Out	-18	06/07/2025
14	88	Stock Out	-1	06/12/2025
14	88	Stock Out	-2	05/27/2025
14	88	Stock Out	-7	06/11/2025
14	1801	(+) Physical inventory adjustment/correction	7	06/11/2025
15	88	Stock Out	-1	06/13/2025
15	88	Stock Out	-3	05/27/2025
15	371	(-) Shoplifting/ Theft	-1	06/26/2025
18	88	Stock Out	-1	06/12/2025
19	88	Stock Out	-1	05/14/2025
21	101	Breakage by store employee	-2	07/18/2025
21	87	Stock In	5	05/20/2025
21	88	Stock Out	-24	06/11/2025
21	88	Stock Out	-6	06/12/2025
21	371	(-) Shoplifting/ Theft	-1	06/08/2025
21	371	(-) Shoplifting/ Theft	-2	06/01/2025
23	123	Pushed cork, loose or leaky cap, broken closure or spout	-1	07/22/2025

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

Whereas an examination of the 30 most recent shipment invoices, the items listed above did not disclose any issues during deliveries

**COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA LIQUOR CONTROL BOARD
FINE WINE AND GOOD SPIRITS STORE 5104
FINDING AND RECOMMENDATION**

Finding – (Continued)

On September 09, 2025, 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.

A similar condition was noted in the three most recent examinations of this store. Although we received corrective action for the two prior examination reports addressing similar inventory concerns, procedures were either not implemented or not operatively effective to prevent their re-occurrence.

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

Contributing factors include, but are not limited to, issues with the inventory since the changeover to the new system, a mistake with a return for a licensee order, and issues with customer theft.

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.

Recommendation

We again recommend that the Board investigate this situation and take whatever action it deems necessary to bring inventory discrepancies within the parameters established by the Board. Furthermore, the Board should monitor inventory levels and work with store employees to detect and correct inventory discrepancies in a timely manner.

**COMMONWEALTH OF PENNSYLVANIA
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FINE WINE AND GOOD SPIRITS STORE 5104
FINDING AND RECOMMENDATION**

Finding – (Continued)

Management Response

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

Examiner's Conclusion

As indicated in the above Condition, it was disclosed that four of the discrepant inventory items were also noted as discrepancies in the prior examination count and reported to PLCB. Although corrective action was received from management addressing similar areas for improvement, procedures were not implemented or operating effectively to prevent their recurrence, we again recommend that management strengthen overall controls relative to monitoring store inventory and remain proactive in asset protection to avoid continued variances/losses in store inventory.

We are concerned by the failure to comply with the three prior examinations' 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 5104
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).

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 5104
REPORT DISTRIBUTION LIST**

This report was initially distributed to the following:

The Honorable Darrell Clarke
Chairman
Pennsylvania Liquor Control Board

Faith Deitrich
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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