

# EXAMINATION REPORT

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## Pennsylvania Liquor Control Board Fine Wine and Good Spirits Store 0270

3643 California Avenue  
Pittsburgh, Pennsylvania 15212  
For the Period  
July 31, 2024 to June 4, 2025

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August 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 0270, Allegheny County, District 3-04, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period July 31, 2024 to June 4, 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.

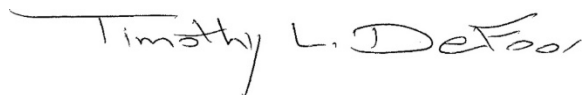
The results of our examination found that Fine Wine and Good Spirits Store 0270~ operated in compliance with all PLCB operating procedures falling within the scope of our examination, except as noted in the following finding and discussed later in this report. This matter was discussed with appropriate personnel and is intended to assist you in improving internal controls.

Finding – Inventory Discrepancy Exceeding \$200 in Value – 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  
August 11, 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 0270  
FINDING AND RECOMMENDATION**

**Finding – Inventory Discrepancy Exceeding \$200 in Value – Repeat Finding**

**Condition**

A random sample count of 51 liquor codes, comprised of 793 units valued at \$26,852.35, was performed on June 5, 2025. We compared PLCB perpetual inventory records for the 51 liquor codes to actual inventory on hand. The perpetual inventory records and the actual inventory count matched 37 codes; however, for the remaining 14 codes, the actual inventory count did not agree with the perpetual inventory records noted below.

<b><u>Discrepant Code Item Number</u></b>	<b><u>Physical Count</u></b>	<b><u>Perpetual Inventory</u></b>	<b><u>Difference</u></b>	<b><u>Retail Cost Per Unit</u></b>	<b><u>Total Value</u></b>
1	8	28	(20)	\$22.99	(\$459.80)
2	5	15	(10)	\$39.99	(\$399.90)
3	0	6	(6)	\$68.99	(\$413.94)
4	29	31	(2)	\$21.99	(\$43.98)
5	13	15	(2)	\$39.99	(\$79.98)
6	2	4	(2)	\$15.99	(\$31.98)
7 *	<b>24</b>	<b>25</b>	<b>(1)</b>	<b>\$33.99</b>	<b>(\$33.99)</b>
8	14	15	(1)	\$42.99	(\$42.99)
9	8	9	(1)	\$62.99	(\$62.99)
10	32	31	1	\$54.99	\$54.99
11	19	18	1	\$35.99	\$35.99
12 *	<b>28</b>	<b>27</b>	<b>1</b>	<b>\$19.99</b>	<b>\$19.99</b>
13	13	10	3	\$13.99	\$41.97
14	26	20	6	\$44.99	\$269.94
<b><i>* These codes were also noted as discrepancies in prior examination reports.</i></b>					

On June 5, 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 most recent examination of this store; however, we have not received corrective action for the prior examination which may have contributed to the noncompliance.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 0270  
FINDING AND RECOMMENDATION**

**Finding – (Continued)**

**Criteria**

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

**Cause**

Management indicated errors were made while conducting an ad hoc counts, inaccurate updates from the Washington Inventory Service (WIS) count on April 7, 2025, and possible 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.

**Management Response**

The manager agreed with the discrepancy and indicated most of these errors are believed to be clerical.

**Examiner's Conclusion**

As indicated in the above Condition, our previous examination disclosed that two of the inventory codes were also noted as discrepant in the prior examination count and shoplifting was cited as a contributing factor in the prior report. We again recommend that management/cashiers remain proactive in the area of asset protection to avoid continued inventory losses. In addition, as was also noted in the above Condition, since corrective action was not received from management addressing similar areas for improvement to prevent their recurrence, we again recommend that management strengthen overall controls relative to monitoring the store inventory.

**COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 0270  
FINDING AND RECOMMENDATION**

**Finding – (Continued)**

**Examiner's Conclusion**

During examination of breakage and adjustments reports, it was noted that seven of the discrepant codes noted above, found during the random inventory count were the same codes adjusted between the months of February 1, 2025, to April 30, 2025, as illustrated below:

<b>Discrepant Code Item Number</b>	<b>Reason Code</b>	<b>Description</b>	<b>Units</b>	<b>Date</b>
2	87	Stock In	10	4/29/25
3	87	Stock In	6	4/29/25
4	87	Stock In	2	4/29/25
5	8180	(-) Physical inventory adjustment/correction	-12	2/18/25
9	87	Stock In	1	4/29/25
10	88	Stock Out	-3	4/29/25
10	1611	(+) Code change-authorized by C.O. only	8	2/1/25
10	8180	(-) Physical inventory adjustment/correction	-8	4/29/25
11	88	Stock Out	-4	4/29/25

Errors or inaccuracies with these adjustments could have contributed to the discrepancies noted above. For instance, the two discrepant codes with physical inventory adjustments may have contributed to the difference noted in our inventory count.

Based on our examination of the 20 most recent shipment invoices, the codes listed above did not disclose any issues during deliveries.

We again are concerned by the failure to comply with the prior finding 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 0270  
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).

**Handling of Cash and Checks**

Our prior examination reported noncompliance with PLCB Handling of Cash and Checks procedures – Failure to Follow Change Order Procedures. 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 0270  
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  
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**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

This report is a matter of public record and is available online at [www.PaAuditor.gov](http://www.PaAuditor.gov). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: [news@PaAuditor.gov](mailto:news@PaAuditor.gov).