

# EXAMINATION REPORT

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## Pennsylvania Liquor Control Board Fine Wine and Good Spirits Store 2208

2943 North Seventh Street  
Harrisburg, Pennsylvania 17110  
For the Period  
June 7, 2024 to June 8, 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 2208, Dauphin County, District 2-02, operated by the Pennsylvania Liquor Control Board (PLCB). We examined store operations for the period June 7, 2024 to June 8, 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 2208 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.

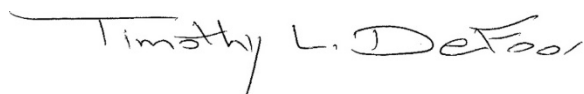
Finding No. 1 – Untimely Lottery Deposits – Repeat Finding

Finding No. 2 – Inventory Discrepancy Exceeding \$200 in Value

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  
7/31/2025

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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 2208  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 1 – Untimely Lottery Deposits - Repeat Finding**

**Condition**

During examination of 60 daily cash deposits, we discovered the store was not consistently following PLCB's lottery processes and procedures. We discovered 27 days in which there were no funds from the lottery vending machine deposited into the store's assigned register till in accordance with PLCB processes and procedures.

**Criteria**

BRO-0046.1, PA Lottery FW&GS Store Process and Procedure section D Morning Lottery Duties states that the Person in Charge (PIC) **each morning** must retrieve Lottery Vending Machine keys and fob from the store safe and log onto the Wave X Terminal. [Emphasis added.]

Section E Daily Lottery Count states that the PIC must run the Deposit on the Lottery Vending Machine, print two copies, remove and take the bill collector(s) to the office to remove the cash, count all Lottery funds from the Lottery machine(s), ring the "Lottery Pay-in" on the assigned register till, return the bill collector(s) to the Lottery Vending Machine(s), close the machine(s), and staple lottery reports from the Point of Sale ("POS") and Lottery machine together and put them under the drawer (these reports are to be stapled to your Till Summary).

BRO-0046 Section E PIC Responsibilities states that the PIC must: secure and safely store all PA Lottery Material, vending machine keys/fob and funds collected, received and confirmed all Lottery Instant Ticket deliveries in the Wave X Terminal at the time of delivery, replenish the Lottery Vending Machine(s) and all Lottery supplies, collect and account for all Lottery funds and related paperwork, verify all Lottery vouchers, and perform daily lottery count. Note: Ultimately, the PIC is responsible for management of all Lottery funds. Failure to follow policy and procedure may result in discipline up to and including termination.

**Cause**

Manager indicated that he is the only one who makes lottery deposits. When there are days that he is not here, the lottery machine does not get emptied. The manager also mentioned that he will remind the shift runners that they must check the lottery machine every morning.

**Effect**

The failure to remove the lottery funds each morning increases the risk of loss, theft, or misuse of receipts and inhibits the timely detection of shortages by PLCB management.

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PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2208  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 1 – (Continued)**

**Recommendation**

We again recommend that store management comply with the provisions of the PLCB criteria established by the PLCB BRO-0046.1 and BRO-0046 which require daily deposit of lottery funds.

We also recommend that the PLCB improve monitoring so that lottery funds are withdrawn and deposited daily in compliance with the BRO-0046.1 and BRO-0046. If an effective tool to monitor daily lottery deposits does not exist, the PLCB should develop and place one in operation.

Moreover, we recommend that all management staff, including shift runners are adequately trained in the daily lottery procedures to ensure lottery deposits are being made daily.

**Management Response**

Management agreed with the finding and will address the issues with the other shift runners who are required to make daily lottery deposits.

**Examiner's Conclusion**

We are concerned by the failure to comply with the prior finding and encourage immediate compliance. 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 2208  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 2 – Inventory Discrepancy Exceeding \$200 in Value**

**Condition**

A random sample count of 58 liquor codes, comprised of 2,811 units valued at \$60,903.07, was performed on June 09, 2025. We compared PLCB perpetual inventory records for the 58 liquor codes to actual inventory on hand. The perpetual inventory records and the actual inventory count matched for 54 codes; however, the remaining 4 codes actual inventory count did not agree with the perpetual inventory records. The discrepancies are 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	75	77	(2)	\$63.99	(\$127.98)
2	61	62	(1)	\$26.99	(\$26.99)
3	26	27	(1)	\$55.99	(\$55.99)
4	840	839	1	\$1.19	\$1.19

On June 10, 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.

**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**

The store manager stated he is not sure what caused the discrepancies. Contributing factors to discrepancies between the actual inventory and the perpetual inventory records, include, but are not limited to, theft, malfunctions in the inventory management system, failure to properly adjust inventory records and failure by store employees to properly accept or dispatch inventory transfers and shipments.

**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.



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PENNSYLVANIA LIQUOR CONTROL BOARD  
FINE WINE AND GOOD SPIRITS STORE 2208  
FINDINGS AND RECOMMENDATIONS**

**Finding No. 2 – (Continued)**

**Recommendation**

We 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 finding and the results of the inventory count.

**Examiner's Conclusion**

During examination of breakage and adjustments reports, it was noted that 3 of the discrepant codes noted above, found during the random inventory count were the same codes adjusted between January 1, 2025, through March 31, 2025, as illustrated below:

<b>Item Number</b>	<b>Description</b>	<b>Units</b>	<b>Date</b>
1	Stock Out	(4)	02/28/2025
2	Stock In	1	03/27/2025
4	Stock In	3	03/28/2025

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

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

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 2208  
PRIOR FINDINGS AND RECOMMENDATIONS**

**STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS**

**Handling of Cash and Checks**

Our prior examination reported noncompliance with PLCB Handling of Cash and Checks procedures – Failure to Ensure Daily Receipts for Cash and Checks Equaled Deposits. Store management complied with our recommendation.

**Lottery**

Our prior examination reported noncompliance with PLCB Lottery procedures – Untimely Lottery Deposits. 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 2208  
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

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).