**MISUSE OF WORKING CAPITAL LOAN**

The Work Plan and Budget of the ROE, record investment costs in the form of Working Capital Loans to finance a gold mining project with X.Ltd (First Party)

Act as the provider of the mining land

**DIRECTOR OF Y Ltd.**

Without verifying the completeness of the documents

Sign the Working Capital Loan Agreement

Act as the party, conducting gold mining and production

Draft the cooperation agreement of gold mining project between X Ltd. and Y Ltd.

* Do not have any experiences and competence in mining services and not engaged in mining sector
* Do not have a mining services business license

**PRESIDENT DIRECTOR OF ROE**

Propose Y Ltd. (Second Party) as the contractor for the gold mining project

Submit the Working Capital Loan Disbursement

Approve the Working Capital Loan Disbursement

**Additional Information:**

* **ROE: Regional-Owned Enterprise**
* **Ltd: Limited Company**
* **X Ltd.: First Party**
* **Y Ltd.: Second Party**

No required supporting documents:

* rental agreements with providers
* invoice from the provider
* Not performing required researches and analyses
* Does not seek approval from the Board of Commissioners

The Working Capital Loan disbursement is transferred to the provider's account

**DIRECTOR OF Y Ltd.**

Submit the Working Capital Loan Application

**DIRECTOR OF ROE**

Approve the Working Capital Loan Application

**DIRECTOR OF Y Ltd.**

**DIRECTOR OF Y Ltd.**

Working Capital Loan disbursement

**DIRECTOR OF Y Ltd.**

**DIRECTOR OF ROE**

Sign the Cooperation Agreement concept of gold mining project with X Ltd.

Sign the Cooperation Agreement concept of gold mining project with Y Ltd.

**DIRECTOR OF X Ltd.**

**DIRECTOR OF ROE**

Appoint Y Ltd. as the contractor for gold mining project without any approval of the Board of Commissioners

**DIRECTOR OF ROE**

The funds are used by the provider for personal purposes