ABSTRACT

Credit unions are business entities with a clear legal foundation that are oriented toward the welfare of their members through the principle of solidarity. In carrying out their activities, cooperative administrators have responsibilities that are not only moral but also legal, covering civil, criminal, and administrative aspects. However, in practice, it is not uncommon to encounter various problems, particularly regarding the administrators' accountability in managing members' savings. One such issue is reflected in the case involving the Melania Credit Union Savings and Loan Cooperative. The research questions in this study are: (1) What is the liability of the board of directors of the Melania Credit Union Savings and Loan Cooperative regarding the lack of transparency in the management of savings funds that has harmed members? (2) What are the legal consequences for the board of directors of the Melania Credit Union Savings and Loan Cooperative regarding the lack of transparency in the management of savings funds that has harmed members? (3) What legal remedies are available to members of the Melania Credit Union Savings and Loan Cooperative who feel they have been harmed by the lack of transparency in the management of savings funds?

The author conducted research on the above issues using a normative legal approach, specifically legal literature review. The research methodology employed a descriptive-analytical approach, which involves describing applicable laws and regulations in relation to legal theories and the practice of positive law concerning the issues at hand. The research was conducted through a literature review and field research.

The research findings show first, that the board of directors of the Melania Credit Union is responsible for the lack of transparency in the management of savings funds, which has caused harm to members; the actions of the cooperative's board of directors have been proven to violate the principles of cooperatives as stipulated in Law No. 25 of 1992 on Cooperatives and constitute an unlawful act as defined in Article 1365 of the Civil Code, potentially leading to criminal liability, including embezzlement (Article 372 of the Criminal Code), fraud (Article 378 of the Criminal Code), and money laundering. Second, the legal consequences for the board of directors of the Melania Credit Union Savings and Loan Cooperative regarding the lack of transparency in the management of savings funds, which has caused harm to members, include civil, administrative, and criminal liability, as well as the possibility of personal liability if it is proven that there was negligence or abuse of authority. Third, the legal remedies available to members of the Melania Credit Union Savings and Loan Cooperative who feel they have been harmed by the lack of transparency in the management of savings funds include civil, criminal, administrative, and alternative dispute resolution (ADR) avenues.

Keywords: *Cooperative, Lack of Transparency, Losses from Fund Management*