



# News

R E L E A S E

## FOR IMMEDIATE RELEASE

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### *A FEDERAL WHISTLEBLOWER DISCLOSURE*

## NEW EVIDENCE CONFIRMS COGENT COMMUNICATIONS DELIBERATE OBSTRUCTION, WHISTLEBLOWER SUPPRESSION, AND EXPOSURE TO CRIMINAL RACKETEERING CHARGES

COGENT COMMUNICATIONS REJECTED EVERY OFF-RAMP,  
OPEN DOOR, AND OPPORTUNITY TO AVOID FEDERAL  
ESCALATION

WASHINGTON – June 9, 2025 — Between March 14 and May 23, 2025, federal whistleblower David J. Koch issued a series of [formal notices](#) and outreach emails to Cogent Communications' (NASDAQ: CCOI) executive team and Board of Directors. Each communication offered a documented, lawful opportunity to engage transparently and proactively regarding Cogent's concealed acquisition of

Fiber Network Solutions, Inc. (FNSI) and the now-infamous [Exhibit 2.5](#).

Instead of taking any of these lawful off-ramps, Cogent chose stonewalling, deflection—and ultimately, obstruction.

Chief Legal Officer John Chang’s [March 19 email](#) marked a categorical denial of responsibility—a position Cogent reiterated in its [May 23 response](#). Both denials came despite multiple federal agencies already being in possession of Koch’s 160-page evidentiary report, supported by audio evidence, documentation, and formal whistleblower filings.

“They were offered a seat at the table. They chose a bunker,” said Koch. “Now they’re trapped inside, watching it collapse around them.”

#### MARCH 14–19: THE LAWFUL OFF-RAMPS COGENT REJECTED

Between March 14 and March 19, Koch made [multiple good-faith attempts](#) to resolve the matter privately, professionally, and without triggering regulatory escalation. Key opportunities included:

- March 14: Initial outreach proposing voluntary resolution and immediate production of the missing [Exhibit 2.5](#) schedules.
- March 15: Follow-up detailing [Exhibit 2.5](#)’s legal significance and urging confidential review by the full Board.
- March 16: Direct request to John Chang and the Board to confirm receipt and initiate constructive dialogue.

- March 17: Offer to involve neutral third parties and delay regulatory escalation pending board engagement.
- March 18: Formal notice that whistleblower disclosures had been filed with IRS-CI, the FBI, SEC, FAA, and U.S. Attorney—and that the window for voluntary cooperation was rapidly closing.
- March 19: [Final pre-enforcement warning](#) emphasizing urgency and reaffirming Koch’s intent to avoid escalation if the schedules were produced.

Chang’s [March 19 reply](#) dismissed the matter outright, ignoring every factual claim and federal filing. It marked the moment Cogent formally turned its back on lawful engagement.

#### THE WHISTLEBLOWER’S EVIDENCE WAS ALREADY IN FEDERAL HANDS

By the time Chang issued his [March 19 denial](#), Koch’s master evidentiary report had already been submitted to:

- The IRS Criminal Investigation Division (multiple case numbers)
- The FBI’s Public Corruption and Financial Crimes Units
- The SEC Office of the Whistleblower (multiple TCRs)
- The FAA Aviation Enforcement Division (assigned two case numbers)
- The U.S. Attorney’s Office for the Southern District of Ohio, Columbus Division

In a rare deviation from standard IRS-CI protocol, upon submission of his 160-page evidentiary whistleblower

report and supporting exhibits, Koch was assigned a case number prior to submitting IRS Form 211—an indication that the submission was deemed credible, urgent, and substantial enough to trigger immediate investigative action. Form 211 was later sent to Koch by IRS-CI, completed and returned, and formally accepted. Five additional claim numbers were then issued, including separate investigations into individuals tied to the 2003 FNSI fraud.

#### EXHIBIT 2.5: FROM ‘INCONSEQUENTIAL’ TO INCRIMINATING

Cogent buried [Exhibit 2.5](#) deep within its S-1 registration statement under the vague label “miscellaneous asset acquisitions,” omitting any reference in the body of the filing. Now confirmed as the full asset purchase agreement for Fiber Network Solutions, [Exhibit 2.5](#) details a transaction executed while Koch was medically incapacitated—a transaction that erased 1.2 million founder shares and transferred FNSI’s intellectual property, customer base, and contracts without shareholder approval or compensation.

“They once dismissed it as inconsequential,” Koch said. “Now it’s the most heavily guarded document in Cogent’s archive.”

Despite multiple formal legal demands, including the aforementioned four notices in March, a [formal notice on May 16, 2025](#), and another [notice on May 23, 2025](#), Cogent continues to withhold the schedules to [Exhibit 2.5](#)—further reinforcing that their release would confirm fraud, unjust enrichment, whistleblower retaliation, in violation of 18 U.S.C. § 1519, 15 U.S.C. § 78j(b), 18 U.S.C. § 1513(e), and implicates [Dave Schaeffer](#), Cogent and its Board Members in an enterprise that, based upon the documented record, meets the statutory definition of a Racketeer Influenced

and Corrupt Organization in violation of 18 U.S.C. § 1962(d) (RICO Conspiracy).

At the time of the FNSI acquisition, [Diana Ritchie Thomas](#)—then known as Diana Anderson—was serving as both Chief Financial Officer and Treasurer of Fiber Network Solutions, Inc. These were not honorary or advisory roles; they were elected officer positions carrying enforceable fiduciary duties.

[Ritchie Thomas](#) had personally activated Koch’s long-term disability insurance and was fully aware of his medical incapacity. Yet rather than protect shareholder interests, she enabled a transaction that erased 1.2 million founder shares and transferred critical assets and trade secrets without consent or compensation. Her breach of fiduciary duty—executed in coordination with [Kyle Bacon](#) and [others](#)—now forms a central element of the conspiracy under federal investigation.

#### MAY 23: THE FINAL WARNING — AND THE FINAL MISTAKE

On May 23, 2025, Koch issued a [final legal demand](#) to Cogent with a five-business-day response window. The letter was sent directly to the Board of Directors, General Counsel, and Corporate Secretary. It outlined Cogent’s growing exposure under federal RICO statutes and whistleblower retaliation laws—and specifically demanded the immediate production of the missing [Exhibit 2.5](#) schedules.

John Chang’s [May 23 reply](#) again denied any obligation to produce the schedules, asserting that Koch lacked standing to request them—despite active IRS-CI case numbers, federal filings, and formal notice of Koch’s protected whistleblower status. [Koch’s response](#) provided Chang and Cogent’s Board of Directors with clear, written notice of

their criminal liability—making future claims of misunderstanding legally indefensible.

Like the [March 19 reply](#), Cogent’s [May 23 response](#) is now classified as a predicate act under multiple federal statutes, including:

- 18 U.S.C. § 1962(d) — RICO Conspiracy
- 18 U.S.C. § 1519 — Destruction or Concealment of Records
- 15 U.S.C. § 78j(b) — Securities Fraud
- 18 U.S.C. § 1513(e) — Retaliation Against a Whistleblower

#### THE CASE HAS BECOME A LIVING PREDICATE ACT

Each rejection, each refusal to respond, and every effort to deflect or deny has compounded Cogent’s legal exposure. Under federal law, every act of concealment or obstruction resets the statute of limitations for RICO liability and whistleblower retaliation.

“They reset the clock so many times, they turned a 2003 fraud into a 2025 indictment,” said Koch. “The conspiracy is still breathing—and we’re recording every breath.”

Cogent’s refusal to produce the schedules to a supposedly “inconsequential” document has become the axis of a full-scale criminal investigation—now spanning multiple federal agencies and confirmed to involve active coordination with IRS-CI, SEC, FAA, and the U.S. Attorney.

## THE DOORS WERE OPEN — COGENT SLAMMED THEM SHUT

The March emails weren't traps; they were bridges. The [May 23 demand](#) wasn't retaliation—it was a final, good-faith opportunity for accountability. Every off-ramp was lawfully constructed, respectfully delivered, and firmly rooted in documentation and statute.

Cogent rejected every single one. And in doing so, it crossed the line from regulatory scrutiny into active federal investigation.

Despite being given a clear, pressure-free opportunity to stand on the side of truth, [Craig Housley](#) and his wife, [Inga Housley](#), instead chose to align with a criminal enterprise.

Subsequently, after receiving formal notice of their inclusion in a federally protected whistleblower investigation, they blocked further communication—first with the whistleblower himself, and now with his partner.

This conduct follows mounting evidence that the Housley's accepted a private payoff in exchange for obstructing lawful efforts to expose a 22-year corporate fraud. The moral depravity of Housley's transaction—to exploit someone during a period of documented medical incapacitation—reaches the darkest depths of ethical misconduct. It implies a conscious alignment with the kind of moral disengagement that enables exploitation.

Rather than assisting in uncovering the truth, they chose complicity and concealment. That's not just moral failure. That's moral cowardice. They forfeited both their credibility and the legal protections that full cooperation might have afforded—and now stand exposed to the possibility of decades in federal prison.

## WHY THE FNSI ACQUISITION MATTERED SO MUCH

In a recorded conversation with [Kyle Bacon](#)—who joined Cogent immediately after the FNSI acquisition—Bacon acknowledged that Cogent had no expertise or meaningful experience operating colocation data centers at the time. The company had acquired three such centers from its PSInet acquisition and was losing \$150,000 per month trying to operate them.

But after acquiring FNSI, [Dave Schaeffer](#) told [Kyle Bacon](#):

“The five data centers I bought from you are profitable.” Schaeffer then instructed Bacon—just weeks into his new role—to implement FNSI’s colocation model, intellectual property, and operational practices at the failing PSInet sites.

“That was the moment Cogent changed its business model,” Koch said. “Every colocation facility they’ve built since then is rooted in what I created, dedicated FNSI’s resources to perfecting, documented, and operationalized at FNSI. They didn’t just take my company—they took the blueprint that built theirs, and all of Cogent’s and [Dave Schaeffer’s](#) success.”

## KOCH WAS MEDICALLY INCAPACITATED AT THE TIME OF THE ACQUISITION

When [Exhibit 2.5](#) was executed, David J. Koch had already been medically incapacitated for months. His long-term disability policy had been activated by CFO [Diana Ritchie Thomas](#), and an administrative law judge later ruled that Koch had been permanently disabled since September 13, 2002—six months before the FNSI acquisition was carried out without his knowledge or consent.

Koch's disability was recognized not only by the Social Security Administration, but also by Jefferson Pilot and New York Life—both of which relied on independent medical evaluations confirming his inability to perform executive functions.

No HR actions were taken, no termination proceedings were initiated, and no legitimate board resolutions were ever passed to remove him from office. The individuals who erased his founder shares and sold the company knew he was medically incapacitated—and deliberately moved forward, believing he would not survive. What becomes clear today is that none of the conspirators had a contingency plan for a future in which Koch outlived their years of secrecy, deception, and manipulation.

The following direct quotes from Koch's [March 14–19, 2025 emails](#) demonstrate—beyond any reasonable doubt—that Cogent was given lawful, well-documented opportunities to resolve the matter. It rejected every one.

March 14, 2025

- “This is an opportunity for Cogent to proactively address its legal exposure before this fraud escalates into a full-scale regulatory enforcement action.”

March 17, 2025

- “If Cogent was misled by Kyle Bacon, this is your moment to correct course.”
- “While federal escalation is imminent, I recognize that an expedited resolution requires structuring a legally binding agreement. If Cogent intends to negotiate in good faith, I am willing to provide a short but reasonable window for the execution of a settlement contract.”

- “This is Cogent’s opportunity for voluntary resolution before federal escalation.”
- “To clarify, I am not seeking \$295M from Cogent—our relationship is different... Working together, we can establish a structured resolution that reflects industry standards for equity-based compensation disputes and corporate fraud settlements while mitigating broader exposure.”
- “Cogent must now decide: Does it wish to align itself with transparency, integrity, and a clean resolution? Or will it entrench itself deeper into a scandal that will only compound with time?”
- “At this stage, proactive engagement is the only viable path for mitigating the unavoidable consequences of continued inaction.”
- “I am committed to resolving this matter in the most transparent and professional manner possible.”
- “I am prepared to work with Cogent’s team toward a fair resolution and to ensure full accountability through the appropriate legal channels.”
- “I look forward to resolving this matter cooperatively.”

March 18, 2025

- “If Cogent was unwittingly entangled in this conspiracy, then now is the time to course-correct.”
- “If Cogent was misled into becoming part of this conspiracy, that can be corrected—but only if the company acts immediately and transparently.”

March 19, 2025

- “If you genuinely did not understand the magnitude of what you inherited, then I am your only path forward.”

#### MENTIONS OF JOINT FILING OR RESOLUTION TO AVOID CRIMINAL LIABILITY

March 17, 2025

- “I am willing to provide a short but reasonable window for the execution of a settlement contract. This is a straightforward settlement—no excessive legal gymnastics required.”
- “This is Cogent’s opportunity for voluntary resolution before federal escalation.”
- “Working together, we can establish a structured resolution... while mitigating broader exposure.”
- “This is not an attempt to avoid confrontation—it is an opportunity to resolve this before it escalates beyond anyone’s control.”
- “I am committed to resolving this matter in the most transparent and professional manner possible.”
- “I am prepared to work with Cogent’s team toward a fair resolution and to ensure full accountability through the appropriate legal channels.”

And here’s how Cogent responded:

“Mr. Koch

Cogent has received a number of emails from you. We deny any wrongdoing with respect to the FNSI acquisition that occurred over twenty years ago. We believe you have

no factual or legal basis to support your allegations. We will vigorously defend ourselves against any frivolous claims.

You should not expect responses to your future correspondence. We will reply if and when we believe a reply is warranted.

John Chang  
Chief Legal Officer  
Cogent Communications”

No company can claim surprise when it was warned—clearly, repeatedly, and in writing.

The [March emails](#) were not traps—they were bridges. The [May 16 notice](#) and [May 23 demand](#) was not a provocation; they were two final, lawful opportunities for accountability.

If Cogent’s board members believe [Dave Schaeffer](#) will shield them, they should consider what he did to a medically incapacitated executive 22 years ago—an act that erased 1.2 million founder shares and handed over FNSI’s intellectual property without consent. More recently, Schaeffer personally shut down at least ten documented, good-faith invitations to engage in a lawful, collaborative resolution—including a proposed joint SEC submission that could have reduced or eliminated criminal liability for all involved. Wake up, Board. [Dave Schaeffer](#) hasn’t suddenly developed a conscience.

Since receiving formal whistleblower notice, [Dave Schaeffer](#) has liquidated \$9,099,698 in Cogent stock, executing five insider sales between May 15 and June 4, 2025. Every one of these sales occurred after Schaeffer was placed on federal notice, and while the company was actively denying knowledge of wrongdoing and refusing to produce the missing [Exhibit 2.5](#) schedules. The Board cannot credibly

claim ignorance while its Chairman is offloading millions under this kind of legal heat. If you're still asleep at the wheel, you're not a bystander—you're an accomplice.

- May 15, 2025 – Sold 40,000 shares for \$2,015,036
- May 22, 2025 – Sold 25,000 shares for \$1,156,768
- May 23, 2025 – Sold 25,000 shares for \$1,173,318
- May 29, 2025 – Sold 25,000 shares for \$1,172,593
- June 4, 2025 – Sold 75,000 shares for \$3,581,983

\* Sales are documented via EDGAR filings.

The only people [Dave Schaeffer](#) gullibly believes he's protecting [are listed here](#).

#### HISTORICAL PARALLELS: THE WILMINGTON TRUST CONVICTIONS SHOULD SERVE AS A WAKE-UP CALL

In 2018, four senior executives at Wilmington Trust—including the President, CFO, Chief Credit Officer, and Controller—were convicted of conspiracy, securities fraud, and filing false regulatory reports. The case revolved around their concealment of over \$300 million in past-due commercial real estate loans. Each received multi-year federal prison sentences and personal fines of up to \$300,000. Although some convictions were later overturned, the reputational damage was lasting—and additional officers were sentenced in related proceedings.

Board members at Cogent Communications would be wise to study this precedent—carefully.

The Wilmington Trust case is a mirror—a real-world example of what happens when directors and executives choose concealment over disclosure to shield senior leadership. The effort to protect one man became a criminal

enterprise, engulfing every officer who remained silent or looked away.

Cogent's continued refusal to acknowledge the 2003 FNSI acquisition—along with its concealment of the [Exhibit 2.5](#) schedules and suppression of whistleblower disclosures—now stands in chilling parallel to the Wilmington Trust case.

The connection may be more than thematic.

Wilmington Trust also serves as the indenture trustee on Cogent's April 2025 \$174.4 million IPv4 address-backed securitization—executed after this Board had received direct whistleblower disclosures. If that transaction was executed without disclosing material liabilities tied to the FNSI acquisition, or while the company was actively concealing federal investigations, it may constitute a new round of predicate acts under federal law.

The message to Cogent's Board is clear: Wilmington Trust wasn't too big to fail—and neither are you.

SUPPORTING DOCUMENTATION:

<https://FiberNetworkSolutions.net>

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