



# News

R E L E A S E

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## GENERATIONAL FALLOUT: HOW THE COVER-UP OF A CORPORATE CRIME IS NOW DESTROYING INNOCENT YOUNG LIVES

WHEN SILENCE BECOMES INHERITANCE, THE DAMAGE DOESN'T  
END WITH THE PERPETRATORS—IT PASSES DOWN TO THEIR  
CHILDREN.

WASHINGTON D.C. —July 1, 2025 — The children of [Craig](#) and [Inga](#) Housley never signed up to be part of a federal criminal investigation. They played no role in the fraud that stole Fiber Network Solutions from a medically incapacitated founder, nor in the decades-long cover-up that followed. And yet, by June 25, 2025, the consequences of their parents' decisions—and the corporate conspiracy their family chose to join—arrived at their front door.

This is no longer just a story about corporate fraud. It is a story about generational wreckage, reputational collapse,

and the irreversible loss of innocence—paid for by those who didn't commit the crime.

The [June 25 news release](#) addressed to the adult children of Craig Housley was not an act of provocation. It was a responsive reckoning—forced by silence—after every private, respectful avenue had been shut down or ignored.

This collapse of moral integrity began with the theft of a company—executed during a moment of medical vulnerability of its co-founder, president, CEO and Chairman, Dave Koch, by [Kyle Bacon](#), [Diana Ritchie Thomas](#), [Vince Bacon](#), [Jim Bacon](#), [Bill Kelly](#) and [Dave Schaeffer](#), with assistance from Robert (Bob) Ellis. What followed was a 20-year cover-up, orchestrated by executives at Cogent Communications and upheld by the willful silence of every member of its Board of Directors.

As Fiber Network Solutions was quietly absorbed through a [fraudulent acquisition](#), its founder lay incapacitated by medical trauma. Had the crime been confessed early, it might have remained a private tragedy. But it wasn't. It was buried—and every person who joined the conspiracy after the fact, whether through silence, cowardice, or greed, helped build the machine that is now dismantling families.

Craig and Inga Housley were in direct contact with Dave Koch during November and December 2023, fully engaged in Facebook messages, email threads, and phone conversations about the 2003 fraudulent acquisition of Fiber Network Solutions by Cogent Communications. Craig Housley was not a stranger—he was a former flying partner of Koch's during his professional aviation career, with a 35-year personal and professional history between them.

Koch shared the documentation he had compiled as of 2023—including [Exhibit 2.5](#), which had been stripped of its schedules, left unindexed, and concealed in Cogent’s S-1 registration under the vague label of a “miscellaneous asset purchase.”

Despite Koch’s explicit instructions not to contact Cogent, the Housley’s disregarded that warning and forwarded Exhibit 2.5—along with clear signals that Koch was beginning to uncover the fraud. Alarms were triggered inside Cogent. Kyle Bacon, Cogent’s former CIO was brought into the discussion.

The Housley’s were offered a quick reprieve from their immediate financial struggles—accompanied by the promise of a life-changing payout to follow. All with one caveat—no further contact with Dave Koch or discussion regarding Cogent’s fraudulent acquisition of FNSI. The sequence that followed speaks for itself.

Despite a 35-year professional and personal relationship with Koch, Craig Housley chose not to stand with truth or accountability. Instead, he aligned himself with the very criminal enterprise he knew had preyed on a medically incapacitated friend—and in doing so, he re-victimized the victim—someone he once claimed to respect.

“Craig’s decision went beyond what most people would recognize as moral depravity,” Koch stated. “It was an ethical collapse of character so total, a betrayal so deep—so callously transactional it reaches the depths of what can only be characterized as an ethical and moral nadir. I’ve never witnessed anything like it in my life.”

Housley now faces a stark choice: protect his children’s futures—or continue shielding a criminal enterprise. The

federal repository already holds more than 2.3 gigabytes of forensic evidence: emails, texts, phone logs—enough to indict, prosecute, and convict. Preserving the family’s ill-gotten windfall is no longer realistic. Every attempt to do so not only triggers new predicate acts—it increases the likelihood that his children will bear the consequences.

“The Housley’s didn’t just look the other way—they re-victimized someone who had already been exploited while medically incapacitated,” said Chris Myers, former Vice President of Administration at Fiber Network Solutions. “That level of moral malevolence tells you everything you need to know about Housley’s moral compass. It’s hard to imagine that their children’s futures genuinely matter to them— beyond the narrative they’ve clung to for sixteen months about where the money came from.”

At this juncture, the Housley family, and Cogent’s Board members are likely confronting a devastating truth: Kyle Bacon’s entire adult identity was a fabrication. He was never the founder of Fiber Network Solutions, never the prodigy who built it from the ground up.

Bacon was a calculated impostor—riding the coattails of David Koch, then stealing his company, his legacy, and his voice while Koch was medically incapacitated. The myth is over. On the official [FNSI website](#), Bacon’s own recorded admissions lay bare the theft, the fraud, and the meticulously engineered illusion he spent two decades covering up. The truth is no longer hidden—and neither is he.

## COGENT COMMUNICATIONS DIDN'T JUST IGNORE THE QUESTIONS — IT ERASED THE CRIME.

A forensic review of Cogent Communications' SEC filings from March through June 2025 reveals a sustained and deliberate pattern of omission. Across five Form 8-Ks, one Form 10-Q, one S-8 registration statement, and internal governance documents—including the company's Code of Ethics and Board roster—Cogent failed to disclose:

- The 2003 acquisition of Fiber Network Solutions, Inc. (FNSI)
- The existence of formal federal whistleblower notices
- [Exhibit 2.5](#), along with its intentionally omitted schedules
- Any reference to IRS, or to ongoing DOJ or SEC inquiries
- Any acknowledgment of whistleblower David Koch or the individuals directly involved, including Craig Housley and Kyle Bacon
- Dave Schaeffer's clandestine liquidation of \$47.5 million in [Form 144 stock sales](#) without a disclosed 10b5-1 trading plan, as required under SEC Rule 10b5-1(c)(1) – all beginning on March 14, 2025 – the same day of Koch's [first formal whistleblower notice](#).

The only appearance of the word “whistleblower” across all filings is buried in the boilerplate of Cogent's Code of Ethics—a generic, legally safe reference with zero connection to the live federal matter at hand.

Even after receiving direct legal notice, facing public exposure in multiple news releases, and ignoring a whistleblower's repeated attempts to speak on the May 8, 2025 earnings call, Cogent made no disclosure whatsoever—not in the corresponding 10-Q, nor in any 8-K

that followed. This is no longer passive omission. It is an active, documented strategy of concealment—a continuing predicate act as defined under the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1962, and now central to the whistleblower’s federal allegations.

The [June 17, 2025 News Release](#) connected all of the dots and brought all of the evidence to light. [Dave Schaeffer](#) didn’t create this empire. He buried a body and planted a flag. Now, he’s burying innocent young lives in his attempt to protect his two-decade-long fraud upon which he built his entire career.

The senior leadership and Board of Directors of Cogent Communications have crossed a line—from corporate negligence into willful moral depravity, and a criminal concealment. Every one of the individuals named below has had the opportunity to act, to ask questions, or to speak up. Every one of them appears to have chosen silence.

- Dave Schaeffer – CEO, President & Chairman
- Marc Montagner – Lead Independent Director
- Steven D. Brooks – Director
- Paul de Sa – Director
- Lewis H. Ferguson, III – Director
- Eve Howard – Director
- Deneen Howell – Director
- Sheryl Kennedy – Director

*(Each of these individuals remain on record as having received formal legal notice.)*

These names are not footnotes. They are the gatekeepers—stationed at the threshold of accountability, shielding

access to the truth, and enabling harm through calculated inaction.

What the Housley children are now being forced to confront is that their own parents, Craig and Inga, actively participated in silencing a federal whistleblower—someone who had once been a trusted friend, colleague, and ally to Craig.

Now, every young life connected to Craig and Inga Housley is absorbing the fallout. One is a 13-year-old girl. Another is a 20-year-old honors student preparing to begin an MBA program. Their oldest son, a 22-year-old commercial pilot, is approaching eligibility for his Airline Transport Pilot (ATP) certificate—a privilege that may now be jeopardized under 14 CFR § 61.153(c) due to the moral character requirement.

For the first time, the question isn't just whether Craig Housley can retain his own pilot certifications—it's whether his ethically bankrupt choices have already clipped his son's wings.

They are all learning—painfully and in real time—what it means when a family chooses complicity over accountability. This isn't just legal exposure. It is emotional collapse, cascading across an entire generation.

The Housley children are not defendants. They are potential witnesses. But the decision to retain *independent legal counsel*—separate from any party aligned with Cogent, Kyle or their parents is not just advisable—it may be the *only* way to preserve their reputations, careers, and legal rights.

Meanwhile, the federal statute of limitations has reset more than a dozen times since December 2023—most recently in May and June 2025—triggered by fresh predicate acts committed by Craig and Inga Housley, alongside individuals tied to Cogent Communications. Exposure isn't shrinking. It's expanding.

The statute of limitations has been lawfully reset to present day in accordance with controlling U.S. Supreme Court and federal appellate rulings governing limitations periods under RICO and related conspiracy statutes.

- *Klehr v. A.O. Smith Corp.*, 521 U.S. 179 (1997)
- *Merck & Co. v. Reynolds*, 559 U.S. 633 (2010)
- *United States v. Smith*, 740 F.2d 734 (9th Cir. 1984)
- *United States v. Arnold*, 117 F.3d 1308 (11th Cir. 1997)
- *United States v. Levine*, 457 F.2d 1186 (10th Cir. 1972)
- *Toussie v. United States*, 397 U.S. 112 (1970)

## GEOGRAPHIC ACTIVITY CONFIRMS THE CRIMINAL ENTERPRISE AND CONSPIRACY HAS BEEN REACHED

Following the publication of the [June 17](#) and [June 25](#) whistleblower releases—detailing [insider stock sales](#), predicate acts under RICO, Cogent's former CIO admitting to the [theft of FNSI's colocation model](#), and the moral reckoning now confronting the Housley family—Cloudflare logs recorded dozens of site visits from IP addresses geolocated to Nevis, Saint Kitts, a Caribbean tax haven where former Cogent CIO Kyle Bacon, according to a recorded March 13, 2024 conversation, owns a \$7 million residence and holds dual citizenship for tax avoidance purposes. These visits occurred during the critical disclosure window, immediately after the releases went

live, and included direct access to whistleblower files such as [News Release 20250625.pdf](#) and other documents naming Bacon as a central participant in the criminal enterprise.

Further confirmation came from Cloudflare logs for [kylebacon.net](#), which is permanently redirected to [fibernetworksolutions.net](#). That domain recorded over 200 direct access attempts in the same timeframe—including from Microsoft Azure-routed IPs matching those flagged on the main site. These inbound connections originated from the same infrastructure often used to mask offshore Caribbean activity, with Dublin and San Jose data centers serving as known relay points. Neither David Koch nor Craig Housley has any known personal or professional ties to Nevis or these IP sources—beyond Kyle Bacon himself.

These forensic records leave no doubt: the public disclosures have penetrated the inner circle of the conspiracy. They have reached the one man whose offshore real estate, fabricated founder persona, and two-decade silence are no longer enough to contain the truth.

Hundreds of visits now trace back to [KyleBacon.net](#) and [KyleCBacon.net](#)—manual URL entries that didn't originate from ads, search engines, or mass emails. These weren't bots. They were people. Former employees, colleagues, or partners—those who once trusted the myth and are now searching for the man behind it. And they're landing exactly where they should: [on the truth](#).

As of this publication, the matter regarding the fraudulent acquisition of Fiber Network Solutions has been assigned a master case and five sub-case numbers by the IRS-CI Whistleblower Office. It is also the subject of seven

separate whistleblower filings submitted to the SEC under the Dodd-Frank Act, along with two formal disclosures to the FAA filed in 2025. Formal delivery of the 160-page whistleblower report—accompanied by an indexed repository of supporting materials—was confirmed to the offices of the U.S. Attorney, IRS-CI, FBI, FAA and SEC as of April 2025.

Public silence does not equal private peace. The walls are closing in. Those who once believed this crime could remain buried have now jeopardized their own families, reputations, and legacies.

This is not a threat. It is a message, a lifeline—and a warning. The truth will not stop knocking, no matter how many doors stay shut. And when the next generation asks what you did to stop it, silence will not be a defensible answer.

Every person involved—even tangentially—has a decision to make. You now face a choice:

- ▶ Tell the truth — and risk the fallout
- ▶ Protect the lie — and risk everything else

Because at this stage, silence is no longer ignorance.

It is complicity.

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FORWARD-LOOKING STATEMENT AND LEGAL DISCLAIMER

This release includes references to public records, regulatory filings, and whistleblower submissions already provided to federal agencies. All individuals named are presumed innocent unless and until proven guilty in a court of law. The statements herein reflect the firsthand knowledge and good-faith belief of federal whistleblower David J. Koch as of July 1, 2025, and may be supplemented or revised as new facts emerge or investigations progress.

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