

FRANKLIN COUNTY, VIRGINIA

Crusoe AI 'Project Flash' Case File

CaseLock Community Defense Intelligence Platform

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SECTION 1 — WHAT IS HAPPENING HERE

Franklin County, Virginia (Roanoke region, population ~55,000) is facing a proposed 50-100 MW AI data center campus known as 'Project Flash,' developed by Crusoe Energy Systems Inc. (Crusoe AI).

Developer: Crusoe Energy Systems Inc. (Denver, CO) — formerly a crypto mining company, now pivoted to AI cloud infrastructure

Code Name: 'Project Flash' (also 'SVBP Project')

Location: 90-150 acres in Summit View Business Park, off US Route 220 near Boones Mill/Rocky Mount

Capacity: 50-100 MW initial, potential expansion to 200+ MW

Status: Secret NDA negotiations exposed via FOIA. 71-page legal complaint filed July 1, 2026. Special prosecutor appointed.

Sources: Franklin County FOIA records, local news coverage, Crusoe public filings

SECTION 2 — CRUSOE AI COMPANY PROFILE

Founded: 2018 as a 'flare-to-crypto' operator (mobile data centers at oilfields for Bitcoin mining)

Pivot: March 2025 — divested all crypto mining, now exclusively AI data center infrastructure

Founders: Chase Lochmiller (CEO, former Jump Trading/Paradigm), Cully Cavness (President, energy finance background)

Funding: \$1B+ raised. Backed by Founders Fund (\$600M Series D), Bain Capital Ventures, Felicis, Polychain, Mubadala

Valuation: Approaching \$10B in 2025-2026. Contracted nearly 5 GW of AI infrastructure pipeline across North America.

SECTION 3 — NDA SCANDAL AND LEGAL COMPLAINT

71-PAGE LEGAL COMPLAINT FILED JULY 1, 2026: Citizens filed a formal complaint accusing Franklin County officials — including Board Chair Lorie Smith and County Administrator Christopher Whitlow — of violating Virginia's Freedom of Information Act and state ethics laws regarding open meetings and executive sessions. A SPECIAL PROSECUTOR was appointed to investigate.

FOIA requests uncovered extensive correspondence, pitch materials, and signed Letters of Intent (LOIs) between County Administrator Whitlow, BOS leadership, and Crusoe AI representatives (@crusoe.ai).

The project was negotiated in secret under NDAs beginning in late 2025. The county attempted to downplay the binding nature of the talks despite signed LOIs.

SECTION 4 — FRANKLIN COUNTY BOS

Board of Supervisors Members:

- **Lorie Smith** — Chair (Gills Creek District) — named in legal complaint
- **Nick Mitchell** — Vice Chair (Snow Creek District)
- **Mike Meredith** — Board Member (Boone District — district where Summit View Business Park is located)
- **Dan Quinn** — Board Member (Union Hall District)
- **Tim Tatum** — Board Member (Blue Ridge District)
- **Christopher Whitlow** — County Administrator (facilitated NDA negotiations)

SECTION 5 — WATER AND ENVIRONMENT

Water Provider: Western Virginia Water Authority (WVWA)

Water Sources: Smith Mountain Lake (20,000-acre reservoir on Roanoke/Blackwater Rivers), Roanoke River Basin, groundwater/private wells

Water Usage: Liquid-cooled 100 MW AI data center can consume 1-3+ MGD. WVWA historically allocated ~1.0 MGD for entire business park.

Smith Mountain Lake is a major tourism and recreation asset. Local residents raised severe concerns about groundwater drawdown, well contamination, thermal pollution, and diversion of water from Smith Mountain Lake and the Roanoke River.

SECTION 6 — ENERGY

Electric Utility: Appalachian Power Company (APCo / AEP)

Power Demand: 100 MW data center = power equivalent to ~80,000 homes, exceeding ALL of Franklin County's residential demand

Transmission: Requires new 138 kV transmission lines and dedicated substations inside Summit View Business Park

Rate Impact: Grid expansion costs would be passed to residential ratepayers through higher monthly bills

SECTION 7 — COMMUNITY RESPONSE

- **'Citizens Unite Over Data Centers'** — grassroots coalition organizing protests
- Hundreds protesting at BOS meetings
- 71-page legal complaint filed July 1, 2026
- Special prosecutor appointed to investigate FOIA violations

SECTION 8 — WHAT YOU CAN DO

1. **Attend BOS meetings** and demand transparency on all closed sessions
2. **File FOIA requests** for all communications between Crusoe AI and county officials
3. **Support the legal complaint** — contact the special prosecutor's office
4. **Demand public hearings** before any zoning or incentive decisions
5. **Monitor Virginia SCC dockets** for transmission line applications (Case PUR-2022-00163)
6. **Request water impact studies** from Western Virginia Water Authority
7. **Reference Bernalillo County's guardrails resolution** as a model for Franklin County

SECTION 9 — KEY SOURCES

1. Franklin County FOIA records — Crusoe AI correspondence
2. Virginia SCC Case PUR-2022-00163 — APCo transmission riders
3. Crusoe Energy Systems public filings and press releases
4. Founders Fund investment announcements
5. Local news coverage — Franklin County governance investigation