

North Platte doctors sentenced for tax evasion (UPDATED)

by George Lauby 1/28/2012

Former North Platte Dr. Michael Koning was sentenced Friday to five years of probation for tax evasion and ordered to work in the tropical Pacific island of Saipan.

Koning and a string of other North Platte medical professionals were sentenced to probation, restitution and fines, the culmination of a seven-year Internal Revenue Service investigation.

They all pleaded guilty to federal income tax evasion.

Koning, an anesthesiologist, was the most heavily involved doctor in the scheme.

He is currently living in Saipan and working at

Arrow points to Saipan the island's hospital, where he earns \$200,000 a year under a two-year contract, U.S. District Court Judge Richard Kopf said during sentencing.

Kopf ordered Koning to pay back taxes --nearly \$1 million -- that he sought to avoid on the advice of his brother-in-law accountant, Lowell Baisden.

Saipan shoreline Baisden, who cooked up a tax-fraud scheme for a dozen people in North Platte, was sentenced Thursday to three years in federal prison for setting up dummy corporations for his clients.

Baisden was Koning's brother-in-law.

Koning, and the other doctors, have already paid the back taxes.

Kopf also fined Koning \$60,000 and ordered him to perform 100 hours of community service during his five-year probation.

If Koning has to leave Saipan during probation, the court will send him to a similar place, perhaps an Indian reservation, Kopf said.

Other Sentencing's

Other sentencing's Friday, from North Platte:

- Dr. Micheal Trierweiler – with his wife was ordered to pay restitution to the IRS of \$258,154, an amount that was paid years ago during the investigation. Trierweiler also got a \$50,000 fine, five years probation and 100 hours of community service.
- Deanna Trierweiler, (joint filer with her husband, so restitution is copayed), got two years probation, a \$4,000 fine and 50 hours of community service.



Courtesy PhotoImage

- Dr. Walter Weaver and wife Dr. Deborah Weaver – restitution of \$224,365.67, five years probation, with a \$25,000 fine and 100 hours of community service each. All four are already doing community service in North Platte and told the court they will continue to do so for at least two more years.

The Weavers provide medical care the Lincoln County Jail. Sheriff Jerome Kramer wrote the court that their work there benefits inmates and saves taxpayers about \$200,000 a year.

The Trierweilers work with People’s Family Health Clinic, which provides medical services to women who are often without money. Michael Trierweiler said he spends 10 hours a week there and sometimes treats patients in his office or at the hospital at no charge.

Even though federal sentencing guidelines say prison sentences should be served for tax evasion, Kopf said federal statutes allow for probation.

Prosecutor Steven Russell asked for up to 18 months in prison for Michael Trierweiler, or at least six months of house arrest.

Despite the need to respond to emergencies, Russell said during the five years Trierweiler could set up his schedule in such a way to make partners available for six months.

Kopf refused.

Kopf stopped the defense attorney from arguing against Trierweiler’s house arrest.

“You don’t need to persuade me, I agree with you,” Kopf said as soon as defense attorney Brian Holland began. “Our people couldn’t do it. I mean... it would just... would fall apart... Either he doesn’t practice in the hospital... the electronic...it would be too difficult for our supervision people to handle.”

Also, formerly of North Platte:

- Kathryn Snoozy (nurse anesthetist who worked for Micheal Koning) was ordered to pay restitution (with husband Donald) of \$77,214, plus five years probation and 100 hours of community service.
- Donald Snoozy (teacher) – one year probation.

The Snoozys now live and work in South Dakota.

Saipan

The tropical island of Saipan is in the mid-Pacific. It is north of Guam, about 2,000 miles from the coast of China and 6,000 miles from the coast of California.

Saipan, part of the U.S. Commonwealth, is just 12 miles long and 5.6 miles wide. The western side of the island is lined with sandy beaches and an offshore coral reef that creates a large lagoon.

Saipan is a popular tourist destination. Most tourists come from eastern Asia.

No jail time

Assistant U.S. Attorney Steven Russell asked for 20 months in prison for Koning, who was the most heavily involved doctor in the scam.

But Kopf said early in an hour-long sentencing proceeding that he was "not going to put the doctor in prison."

If Koning wasn't going to jail, Russell argued that Koning should at least be put under house arrest for a year, with electronic monitoring, during probation, which would mean Koning could only be out of the house for 12 hours a day.

Russell said any sort of lesser sentence would be met with derision by the people of North Platte, who would think that a doctor successfully used "his practice as a shield and sword."

Russell noted that Koning had ample resources, enough to write out a single check to cover 97 percent of his back taxes. He said Koning should have to clean toilets and serve the poor, and not be paid \$200,000 a year while serving his sentence.

Russell said Koning was a savvy businessman who was not naive about taxes.

Russell urged Kopf to sentence all the defendants to "some greater form of punishment" than probation and fines.

Defense

But defense attorney [Dave Domina](#) said otherwise. Domina said the Saipan commonwealth hospital is understaffed and underequipped and has a hard time meeting payroll.

Domina said Koning's \$200,000 salary is a lot of money, but is only about one-fourth of what he would make if he were practicing in the U.S.

He said hardly anyone on the island speaks English; most tourists come from Japan and Korea. Ninety percent of the people in Saipan are below the national poverty level and the only industry on the island besides tourism is tee-shirt manufacturing.

"The reason he is there is because he and his naive lawyer decided in 2007 that this day would come," Domina said, and on the day of sentencing, Koning wanted to say 'I have self-sentenced. I've become a missionary, gone to to a place I didn't want to go, without modern tools and colleagues, to serve people who I've grown to love, but who are foreign to me.'

Domina said Saipan relies on U.S. aid, which is being cut because of the government budget crisis. He said Koning's paycheck is in doubt. He urged Kopf to consider Koning an asset to the people of Saipan.

Koning: Lost much

Koning apologized to the court.

"I'm here... with complete humility for my part in this debacle that has so damaged my life and others," he said, at times stopping to gather his emotions. "I've lost my professional business, my job, my assets and most importantly my marriage as a result of this problem. I missed on out my youngest son's high school years because I was in Saipan."

Koning said he thought at the time that he should be paying more taxes, but chose to believe his brother-in-law knew what he was doing. Whenever Koning raised questions, Baisden had an answer, he said.

Koning said he introduced Baisden to Evan Geilenkerken and Katherine Snoozy of North Platte as someone he liked and who he thought had done a good job for him, but did not introduce Baisden to Drs. Michael Trierweiler or Walter Weaver.

Koning said Baisden traded on Koning's reputation, revealing personal financial information to other

doctors to convince them to let him handle their taxes too.

"He had my power of attorney and at times submitted my returns electronically before I'd seen them myself," Koning told Kopf.

"I knew my taxes were too low but I wanted to believe it was because Lowell was so bright and such a good accountant," he said.

Judge: Piggish beyond belief

Kopf said that Saipan is not equipped to handle house arrest.

"Im not convinced it could be appropriately administered," he said. "Without electronic monitoring, it simply won't work here."

Koning will be required to provide a DNA sample and financial information upon request by his probation officer, but not a drug sample.

He was told to be in Saipan within 72 hours.

After the sentence was set, Kopf said he doesn't like to lecture people at sentences, but then he said the doctors involved were beyond belief.

"There is an entitlement mentality in the medical profession that is just astounding," Kopf said.

"I understand that doctors are trained not to doubt themselves because when they give critical care they can't doubt themselves; they have to act. But that breeds a sort of egotism that is really hard to take," he said.

"The medical schools would be good to teach...that what they (students)are taught to do as physicians may not be how they can live their lives outside the doctor's suite or the surgical suite; that there are differences," Kopf said.

"And, if the government has done nothing else in this case, it's made that point abundantly clear to a bunch of doctors who were piggish beyond belief," he said.

Koning originally faced five federal counts -- four counts of income tax evasion and one count of conspiracy. In exchange for his guilty plea and for cooperating in the prosecution of Baisden, four counts were dismissed.

All of the convicted have 14 days to appeal the sentences.

Susan Baisden-Koning

A woman at the cross-road of the crime was also sentenced Friday.

Susan Baisden-Koning was Michael Koning's wife and Lowell Baisden's sister. She was also a Certified Public Accountant.

Of all the criminals involved, Baisden-Koning was the first to plead guilty and agree to cooperate with prosecutors. When she signed on the dotted line to cooperate with the government, other guilty pleas followed, defense attorney Andrew Strotman said.

Micheal Koning became the key witness in the government's case against Baisden, Judge Richard Kopf said.

Like her ex-husband, Susan Baisden-Koning got five years probation and 100 hours of community service.

She and Micheal's \$989,531 restitution was paid five months before they were indicted, and it has left Susan without many resources, Strotman said.

In handing down the sentence, Kopf said Susan "had every reason to know what was going on. She was trained as an accountant and is a very, very bright woman."

The tax fraud scheme would have "alerted even a junior accountant. The hair on their neck would go up," Kopf said.

Baisden-Koning, crying, said she should have known long time ago it was wrong and wished she could have been able to keep her family from breaking apart.