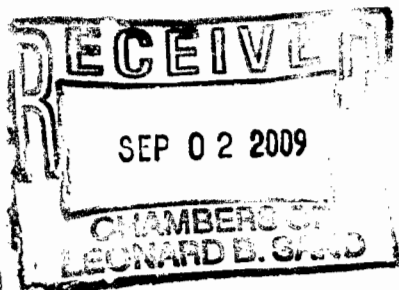


MEMO ENDORSED



**U.S. Department of Justice**

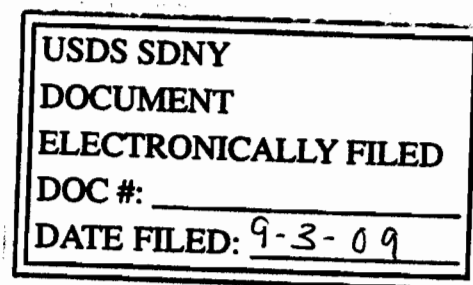
*United States Attorney  
Southern District of New York*

*86 Chambers Street, 3rd Floor  
New York, New York 10007*

September 1, 2009

**By Hand Delivery**

Honorable Leonard B. Sand  
United States District Judge  
United States Courthouse  
500 Pearl Street, Room 1650  
New York, New York 10007



Re: United States of America v. Shields et al.,  
08 Civ. 9402 (LBS)

Dear Judge Sand:

The Government brought this civil action against Scott Shields and Patricia Shields (collectively, "Defendants") under the False Claims Act, 31 U.S.C. §§ 3729-3733 (the "False Claims Act"), to recover damages sustained by, and penalties owed to, the United States as the result of Defendants having knowingly presented or caused to be presented to the United States false claims for Federal Emergency Management Agency ("FEMA") Mortgage and Rental Assistance ("MRA") funds. By order dated June 24, 2009, the Court had set September 1, 2009 as the date by which the Government was to file its motion for summary judgment. In the interim, however, the parties have made substantial progress toward settlement of this matter. Accordingly, for the reasons discussed below, the Government respectfully requests a 60-day extension of time, from September 1, 2009 until November 2, 2009, to determine if this case can be settled or if not, in the alternative, to file a motion for summary judgment. I apologize for any inconvenience caused to the Court by the late submission of this request.

The Government sent Defendants a proposed stipulation and order of settlement, as well as financial disclosure forms, by letter dated June 8, 2009. The Government has received a signed copy of the settlement agreement from Defendants, but has not yet received financial disclosure forms from the Defendants. As the proposed stipulation reduces the amount that the Government would seek through a summary judgment motion or trial and provides for payments to be made over time in order to accommodate Defendants' purported inability to pay the full amount in a lump sum, the Government needs to receive from Defendants the requested financial disclosure forms signed under penalty of perjury in order to finalize the settlement of this case. The Government understood from Patricia Shields that these financial forms would be

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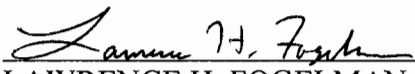
MEMO ENDORSED

forthcoming but to date the Government has not yet received these forms. As Patricia Shields was recently incarcerated and Scott Shields was recently released from prison this summer, the Government believes that an additional 60 days would allow the Government to determine if Defendants will comply with the Government's request that they complete financial disclosure forms or, in the alternative, if the Government will move for summary judgment.

Thank you for your consideration of this matter.


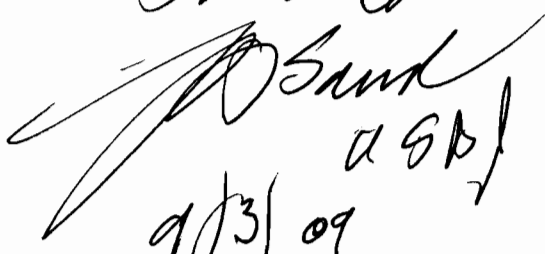
Respectfully,

PREET BHARARA  
United States Attorney

By:   
LAWRENCE H. FOGELMAN  
Assistant United States Attorney  
Tel.: (212) 637-2719  
Fax: (212) 637-2730

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Federal Prison Camp  
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Alderson, WV 24910

Scott Shields (By Express Mail)  
23 Severn Way  
Jamesburg, N.J. 08831

  
  
a sbj  
9/3/09

**MEMO ENDORSED**