

December 16, 2011

Mr. Dennis Swan
Chief Executive Officer
Edward W. Sparrow Hospital
1215 East Michigan Avenue
Lansing, MI 48909-7980

SUBJECT: NRC INSPECTION REPORT NO. 03002009/11-02(DNMS) AND NOTICE OF VIOLATION – EDWARD W. SPARROW HOSPITAL

Dear Mr. Swan:

On October 25 through 27, 2011, with continued U.S. Nuclear Regulatory Commission (NRC) in-office review through November 30, 2011, NRC inspectors conducted an inspection at your facilities in Lansing and St. Johns, Michigan. The in-office review included receipt and review of information that was unavailable during the onsite inspection, including security-related information. This report presents the results of this inspection. The material enclosed herewith contains Security-Related information as defined Title 10 of the Code of Federal Regulations (CFR) 2.390(d)(1) and should be withheld from public disclosure.

During the inspection, the NRC staff examined activities conducted under your license as they relate to safety and security and compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of a selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at (<http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>). The violation addresses security issues. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in Enclosure 2 to this letter. The violation is being cited in the Notice because it was identified by the NRC.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information that you believe the NRC should consider, you may provide it in your response to the Notice. The NRC's review of your response to the Notice will determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

Enclosures 1 and 2 Contain Sensitive Unclassified Non-Safeguards Information. When separated from enclosure, this transmittal letter is decontrolled.

D. Swan

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Because this issue involves Security-Related Information, your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii) the NRC is waiving the affidavit requirements of your response.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>. However, because of the Security-Related information contained in Enclosures 1 and 2, and in accordance with 10 CFR 2.390, a copy of Enclosures 1 and 2 will not be available for public inspection. The Enclosures must be protected from unauthorized disclosure.

Sincerely,

/RA by Patrick L. Loudon For/

Tamara E. Bloomer, Chief
Materials Inspection Branch
Division of Nuclear Materials Safety

Docket No. 030-02009
License No. 21-01430-01

Enclosures:

1. Notice of Violation (Security-Related Information)
2. Addendum to Notice of Violation (Security-Related Information)

cc w/encls: State of Michigan
Martin Johnson, Radiation Safety Officer

Official Use Only – Security-Related Information

D. Swan

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/RA by Patrick L. Loudon For/

Tamara E. Bloomer, Chief
Materials Inspection Branch
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Docket No. 030-02009
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cc w/encls: State of Michigan
Martin Johnson, Radiation Safety Officer

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