

December 16, 2011

Mr. David R. Kruger
Chief Executive Officer
Thoracic & Cardiovascular Institute
405 West Greenlawn, Suite 220
Lansing, MI 48910

SUBJECT: NOTICE OF VIOLATION – THORACIC & CARDIOVASCULAR INSTITUTE

Dear Mr. Kruger:

On October 25 through 27, 2011, with continued U.S. Nuclear Regulatory Commission (NRC) in-office review through November 30, 2011, the NRC conducted a routine inspection at Edward W. Sparrow Hospital in Lansing, Michigan.

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 website at (<http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>). The NRC has determined that a violation of NRC requirements occurred involving Thoracic & Cardiovascular Institute's (TCI) failure to secure the NRC's consent in writing prior to a change in control of licensed activities. Specifically, on January 1, 2010, Edward W. Sparrow Hospital Association (Sparrow) purchased the entire assets of TCI. The purchase also included employment of existing physicians and staff who were employed by TCI. On November, 29, 2011, Robert Gattone of my staff discussed the violation with Daryl Melvin, M.D., of your staff.

The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in 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 also determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with Title 10 of the Code of Federal Regulations 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's

D. Kruger

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Agencywide Documents Access and Management System (ADAMS), accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary information so that it can be made available to the public without redaction.

Please feel free to contact Mr. Robert Gattone of my staff if you have any questions regarding the violation. Mr. Gattone can be reached at (630) 829-9823.

Sincerely,

/RA Patrick L. Loudon Acting for/

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

Docket No. 030-18237
License No. 21-20313-01

Enclosure:
Notice of Violation

cc w/encl: State of Michigan
Daryl Melvin, M.D., Radiation Safety Officer

D. Kruger

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Tamara E. Bloomer, Chief
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Enclosure:
Notice of Violation

cc w/encl: State of Michigan
Daryl Melvin, M.D., Radiation Safety Officer

DISTRIBUTION:

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*See previous concurrence

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DATE	12/13 /2011	12/15/2011	12/15/2011	12/16/2011

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NOTICE OF VIOLATION

Thoracic & Cardiovascular Institute
Lansing, Michigan

Docket No.: 030-18237
License No.: 21-20313-01

During a U.S. Nuclear Regulatory Commission (NRC) inspection at Edward W. Sparrow Hospital in Lansing, Michigan on October 25 through 27, 2011, with continued NRC in-office review through November 30, 2011, a violation of NRC requirements was identified involving Thoracic & Cardiovascular Institute. In accordance with the Enforcement Policy, the violation is listed below:

Title 10 of the Code of Federal Regulations (CFR) 30.34(b) states, in part, that no license issued or granted pursuant to the regulations in this Part and Parts 31 through 36, and 39 nor any right under a license shall be transferred, assigned or in any manner disposed of, either voluntarily or involuntarily, directly or indirectly, through transfer of control of any license to any person, unless the Commission shall, after securing full information, find that the transfer is in accordance with the provisions of the Act and shall give its consent in writing.

Contrary to the above, on January 1, 2010, Thoracic & Cardiovascular Institute, holder of NRC License No. 21-20313-01, transferred control of the license to Edward W. Sparrow Hospital Association without prior written consent from the Commission.

This is a Severity Level IV Violation (Section 6.3.d.7.).

Pursuant to the provisions of 10 CFR 2.201, Thoracic & Cardiovascular Institute is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region III, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation; and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Enclosure

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response, will be made 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 Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 16th day of December 2011.