



~~OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION~~

**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

Region III
2443 Warrenville Road, Suite 210
Lisle IL 60532-4352

July 18, 2013

EA-13-093

Mr. Ian McFadden
Chief Executive Officer
Methodist Hospital of Gary, Inc.
8701 Broadway
Merrillville, Indiana 46410

**SUBJECT: NOTICE OF VIOLATION – METHODIST HOSPITAL OF GARY, INC.
NRC ROUTINE INSPECTION REPORT NO. 03011234/2013001(DNMS)**

Dear Mr. McFadden:

This refers to a U.S. Nuclear Regulatory Commission (NRC) routine inspection conducted on April 1 through 5, and 8, 2013, with continued in-office review through April 16, 2013, at your facilities located in Merrillville and Gary, Indiana. During the inspection, an apparent security violation of NRC requirements was identified. The significance of the issues and the need for lasting and effective corrective actions were discussed with Gary Dillon of your staff during the inspection exit meeting on April 17, 2013. Details regarding the apparent violation were provided in NRC Inspection Report No. 03011234/2013001(DNMS) dated May 17, 2013.

In the letter transmitting the inspection report, we provided you with the opportunity to address the apparent violation identified in the report by either attending a predecisional enforcement conference or by providing a written response before we made our final enforcement decision.

Based on the information developed during the inspection and the information that you provided in your written response dated June 13, 2013, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the Notice of Violation (Notice) in Enclosure 1 (Non-Public) and the circumstances surrounding it are described in detail in our inspection report dated May 17, 2013.

The violation is of concern to the NRC for the reasons stated in Enclosure 2 (Non-Public). Therefore, the violation has been categorized, in accordance with the NRC Enforcement Policy, as a Severity Level III violation.

The enclosures contain Sensitive
Unclassified Non-Safeguards Information.
Upon separation, this cover letter is
decontrolled.

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I. McFadden

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In accordance with the NRC Enforcement Policy, a base civil penalty in the amount of \$3,500 is normally considered for a Severity Level III violation.

Because your facility has not been the subject of escalated enforcement actions within the last two years, the NRC considered whether credit was warranted for *Corrective Action* in accordance with the civil penalty assessment process described in Section 2.3.4 of the Enforcement Policy.

In NRC Inspection Report No. 03011234/2013001(DNMS), the NRC described its understanding of the corrective actions taken to correct the violation. In your response dated June 13, 2013, you described the corrective actions taken to correct the violation and to prevent recurrence. These corrective actions are also documented in Enclosure 2. Based on these corrective actions, the NRC has determined that *Corrective Action* credit is warranted.

Therefore, to encourage prompt and comprehensive correction of violations, and in recognition of the absence of previous escalated enforcement action, I have been authorized, after consultation with the Director, Office of Enforcement, not to propose a civil penalty in this case. However, significant violations in the future could result in a civil penalty. In addition, issuance of this Severity Level III violation constitutes escalated enforcement action that may subject you to increased inspection effort.

The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation, and the date when full compliance was achieved, was adequately addressed on the docket in NRC Inspection Report No. 03011234/2013001(DNMS) dated May 17, 2013, and in your response dated June 13, 2013. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed Notice. Additionally, if you choose to respond, please mark your entire response "Security-Related Information – Withhold from Public Disclosure under 10 CFR 2.390." In accordance with Title 10 of the Code of Federal Regulations (10 CFR) 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for any response to this letter. However, to the extent possible, your response, if any, should not include any personal privacy, proprietary, or safeguards information.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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>. However, because of the Security-Related Information contained in the enclosures, and in accordance with 10 CFR 2.390, copies of the enclosures will not be available for public inspection.

I. McFadden

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Additionally, the enclosures must be protected from unauthorized disclosure. Security-Related Information is discussed in Regulatory Information Summary RIS-2005-031, "Control of Security-Related Sensitive Unclassified Non-Safeguards Information" (ML053480073), which is available on the NRC Web site or in ADAMS.

Sincerely,

/RA by C. Pederson for/

Charles A. Casto
Regional Administrator

Docket No. 030-11234
License No. 13-16558-01

Enclosures:

1. Notice of Violation (Non-Public)
2. Final Determination of Significance
(Non-Public)

cc w/encls: State of Indiana
Gary Dillon, Radiation Safety Officer

I. McFadden

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DATE	07/03/13	07/03/13	07/05/13	07/17/13	07/18/13	07/18/13

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1 OE concurrence received via email from K. Day on July 17, 2013.

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Letter to Ian McFadden from Charles A. Casto dated July 18, 2013

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NRC ROUTINE INSPECTION REPORT NO. 03011234/2013001(DNMS)

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