



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

September 1, 2016

EA-16-157

Ms. Kathy J. Hall, VP-Regional Administrator
St. Mary's Health, Inc.
3700 Washington Avenue
Evansville, Indiana 47750

SUBJECT: NRC ROUTINE INSPECTION REPORT NO. 03020812/2016001(DNMS)
ST. MARY'S HEALTH, INC.

Dear Ms. Hall:

On June 15, 2016, an inspector from the U.S. Nuclear Regulatory Commission (NRC) conducted a routine inspection at your office in Evansville, Indiana, with continued in-office review through August 10, 2016. The purpose of the inspection was to review activities performed under your NRC license to ensure that activities were being performed in accordance with NRC requirements. The in-office review included a review of security-related items. Mr. Luis Nieves of my staff conducted a final exit meeting by telephone with Mr. Saiyid Shah of your staff on August 10, 2016 to discuss the inspection findings. The enclosed inspection report presents the results of the inspection.

During this inspection, the NRC staff examined activities conducted under your license related to public health and safety. Additionally, the staff examined your compliance with the Commission's rules and regulations as well as the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

Based on the results of this inspection, one apparent violation of NRC requirements was identified and is being considered for escalated enforcement action 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 apparent violation was of a security related nature and is discussed further in the inspection report.

Enclosure contains Sensitive
Unclassified Non-Safeguards Information.
When separated from the Enclosure, this
transmittal letter is decontrolled.

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Because the NRC has not made a final determination in this matter, the NRC is not issuing a Notice of Violation for this inspection finding at this time. The circumstances surrounding this apparent violation, the significance of the issue, and the need for lasting and effective corrective action were discussed with Mr. Saiyid Shah at the inspection exit meeting on August 10, 2016.

Before the NRC makes its enforcement decision, we are providing you an opportunity to either: (1) respond in writing to the apparent violation addressed in this inspection report within 30 days of the date of this letter; or (2) request a Predecisional Enforcement Conference (PEC). If a PEC is held, the NRC will issue a press release to announce the time and date of the conference. **If you decide to participate in a PEC, please contact Aaron T. McCraw at 630-829-9650 within ten days of the date of this letter to notify the NRC of your intended response.**

If you choose to provide a written response, it should be clearly marked as a "Response to the Apparent Violation in Inspection Report No. 03020812/2016001 (DNMS); EA-16-157," and should include, for the apparent violation: (1) the reason for the apparent violation, or, if contested, the basis for disputing the apparent violation; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken to avoid further violations; and (4) the date when full compliance was or will be achieved. In presenting your corrective actions, you should be aware that the promptness and comprehensiveness of your actions will be considered in assessing any civil penalty for the apparent violation. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be useful in preparing your response. You can find the information notice on the NRC's website at: <http://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. Your response may reference or include previously docketed correspondence, if the correspondence adequately addresses the required response. If an adequate response is not received within the time specified or an extension of time has not been granted by the NRC, the NRC will proceed with its enforcement decision or schedule a PEC.

In addition, if you choose to provide a written response, please mark your entire response, "Security-Related Information – Withhold from Public Disclosure under Title 10 of the *Code of Federal Regulations* (CFR) 2.390." In accordance with 10 CFR 2.390(b)(ii), the NRC is waiving the affidavit requirements for your response to this letter. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information.

If you choose to request a PEC, the conference will afford you the opportunity to provide your perspective on the apparent violation and any other information that you believe the NRC should take into consideration before making an enforcement decision. The topics discussed during the conference may include the following: information to determine whether a violation occurred, information to determine the significance of a violation, information related to the identification of a violation, and information related to any corrective actions taken or planned to be taken.

As your facility has not been the subject of escalated enforcement action within the last two years or two inspections, a civil penalty may not be warranted in accordance with Section 2.3.4 of the Enforcement Policy. In addition, based upon NRC's understanding of the facts and your corrective actions, it may not be necessary to conduct a PEC in order to enable the NRC to make a final enforcement decision. Our final decision will be based on your confirming on the

K. Hall

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license docket that the corrective actions previously described to the staff have been or are being taken.

In addition, please be advised that the number and characterization of the apparent violations described in the enclosed inspection report may change as a result of further NRC review. You will be advised by separate correspondence of the results of our deliberations on this matter.

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's website at <http://www.nrc.gov/reading-rm/adams.html>. However, the enclosure to this letter contains Security Related Information; its disclosure to unauthorized individuals could present security vulnerability. Therefore, the material will not be made available electronically for public inspection. The enclosure to this letter must be protected from unauthorized disclosure.

Please feel free to contact Mr. Nieves of my staff if you have any questions regarding this inspection. Mr. Nieves can be reached at 630-829-9571.

Sincerely,

/RA Christine Lipa Acting for/

John B. Giessner, Director
Division of Nuclear Materials Safety

Docket No. 030-20812
License No. 13-03226-04

Enclosure:
IR 03020812/2016001 (DNMS) (Non-public)

cc w/encl: Mr. Saiyid Shah, RSO
State of Indiana

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K. Hall

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Please feel free to contact Luis Nieves, Health Physicist Nieves of my staff if you have any questions regarding this inspection. Mr. Nieves can be reached at 630-829-9571.

Sincerely,

/RA Christine Lipa Acting for/

John B. Giessner, Director
Division of Nuclear Materials Safety

Docket No. 03020812
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Enclosure:
IR 03020812/2016001(DNMS) (Non-public)

cc w/encl: Mr. Saiyid Shah, RSO
State of Indiana

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DATE	8/29/2016		8/29/2016		8/30/2016		9/1/2016	

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Letter to Kathy Hall from John Giessner dated September 1, 2016.

SUBJECT: NRC ROUTINE INSPECTION REPORT NO. 03020812/2016001(DNMS)
ST. MARY'S HEALTH, INC.

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