§ 107. Conflicts prohibited. 1. No person shall be appointed to or employed by the commission if, during the period commencing three years prior to appointment or employment, such person held any direct or indirect interest in, or employment by, any corporation, association or person engaged in gaming activity within the state. Prior to appointment or employment, each member, officer or employee of the commission shall swear or affirm that he or she possesses no interest in any corporation or association holding a franchise, license, registration, certificate or permit issued by the commission. Thereafter, no member or officer of the commission shall hold any direct interest in or be employed by any applicant for or by any corporation, association or person holding a license, registration, franchise, certificate or permit issued by the commission for a period of four years commencing on the date his or her membership with the commission terminates. Further, no employee of the commission may acquire any direct or indirect interest in, or accept employment with, any applicant for or any person holding a license, registration, franchise, certificate or permit issued by the commission for a period of two years commencing at the termination of employment with the commission. The commission may, by resolution adopted by unanimous vote at a properly noticed public meeting, waive for good cause the pre-employment restrictions enumerated in this subdivision for a prospective employee whose duties and responsibilities are primarily on racetrack grounds. Such adopted resolution shall state the reasons for waiving the pre-employment conditions for the prospective employee, including a finding that there were no other qualified candidates with the desired experience for the specified position.

2. No member, officer, official or employee of the commission shall participate as an owner of a horse or otherwise as a contestant in any horse race at a race meeting which is under the jurisdiction or supervision of the commission, or have any pecuniary interest, direct or indirect, in the purse, prize, premium or stake contested for at any such horse race or in the operations of any licensee of the commission or state racing franchisee. Participation as an owner of a horse or otherwise as a contestant in any such horse race by a member, officer, other official or employee of the commission in violation of this prohibition shall terminate the term of his or her office as a member,

or his or her services as an officer or official or employee of the commission.

3. No member, officer or employee of the commission shall wager upon gaming or horse racing activity conducted within the state.

4. No individual employed by an off-track betting corporation or race track licensed pursuant to this chapter as a pari-mutuel clerk, cashier or seller shall be permitted to wager upon gaming activity during any period of a day on which such person is employed in such capacity.

5. No public officer or party officer shall hold any racing or video lottery gaming license from the commission.

6. The following public employees are prohibited from holding any license from the commission:

(a) an employee of the commission; any director or employee of a regional off-track betting corporation employed in a management, confidential or supervisory capacity for purposes of their position with off-track betting; or

(b) an employee of the state legislature; provided, however, that an employee of the state legislature whose duties in such position do not relate to gaming activities shall not be subject to the prohibitions of this section if he or she held a license from the former state racing and wagering board while employed by the state legislature prior to July first, nineteen hundred eighty; or

(c) an employee of any local legislative body whose duties involve gaming activities; or

(d) an employee of any state or local board, agency, authority or other state or local governmental body, the duties of which relate to gaming activities or the taxation thereof.

7. No public officer, public employee or party officer shall:

(a) own or hold, directly or indirectly, any proprietary interest, stock or obligation of any firm, association or corporation (i) which is licensed by the commission to conduct video lottery gaming or horse racing activities, or (ii) which conducts its occupation, trade, or

business at a racetrack at which pari-mutuel race meets are conducted or facility where video lottery gaming activity is conducted whether or not a license is required, or (iii) which owns or leases to any enfranchised or licensed association or corporation a racetrack at which pari-mutuel racing is conducted or facility where video lottery gaming activity is conducted, or (iv) which participates in the management of any franchise holder or licensee conducting video lottery gaming or horse racing activities; or

(b) hold any office or employment with any firm, association or corporation specified in paragraph (a) of this subdivision, except as provided in subdivision eight of this section; or

(c) sell, or be a member of a firm, or own ten per centum or more of the stock of any corporation, which sells any goods or services to any firm, association or corporation specified in paragraph (a) of this subdivision. For purposes of this subdivision, a direct or indirect interest shall not include an interest in a mutual fund or any other diversified investments over which the recipient does not know the identity of the primary source of income.

8. The provisions of paragraph (b) of subdivision seven of this section shall not apply to a public employee other than an employee of the commission, a police officer or a peace officer employed by a sheriff's office, district attorney's office or other state or local law enforcement agency, or those employees classified as management confidential employees pursuant to section two hundred fourteen of the civil service law who are employed by a state or local law enforcement agency or regional off-track betting corporation; provided, however, that employment of employees of a political subdivision may be prohibited by ordinance, resolution or local law adopted by the local legislative body or other governing board of such political subdivision.

9. The commission shall have the power to refuse to grant or to revoke or suspend a license of any person, association or corporation that aids or knowingly permits or conspires to permit any public officer, public employee or party officer to acquire or retain any interest prohibited by this section and shall have the power to exclude from the grounds of any racing association any such person, association or corporation.

10. Notwithstanding any other provision of law, and in addition to any other cause of removal provided by law, an intentional violation of this section shall be cause for removal from public office, public employment or party office. In any such case, such public officer, public employee or party officer violating this section shall be removed from office by the appropriate authority having the power of removal or at the suit of the attorney general. Further, such public officer, public employee or party officer shall be liable for a civil penalty of not more than ten thousand dollars.