Table 1: Corruption Infraction Codes

Code #	Code Description
	Procurement
(04)	Public tender was not publicized.
(05)	Tender winner used fake receipts to claim payments.
(06)	Shell companies have participated in tender.
(08)	Tender documentation was fake.
(09)	Tender participant received special treatment.
(30)	Wrong tender rules were applied.
(31)	Tender was incorrectly dismissed.
	Private Appropriation
(11)	Good/service was overpriced.
(12)	Supplier presented fake receipts.
(13)	Payments were unaccompanied by receipts.
(14)	Payments made to parties unrelated to policy implementation.

Source: CEPESP-FGV. All other codes available in appendix **INCLUDE LABEL** B.

Table 2: Procurement Categories

	Type	Goods/Services Purchases	Public Works
Category 0	Tender-exempt	$x_i \leq R\$8,000$	$x_i \leq R\$15,000$
Category 1	Invitational	$R\$80,000 \leq x_i > R\$8,000$	$R\$150,000 \leq x_i > R\$15,000$
Category 2	Price Taking	$R\$650,000 \leq x_i > R\$80,000$	$R\$1,500,000 \leq x_i > R\$150,000$
Category 3	Competitive	$x_i > R\$650,000$	$x_i > R\$1,500,000$

Source: Law 8,666/93.

Table 3: Number of Municipal Audits by Ministry

		Health		
		No	Yes	Total
Education	No	0	65	65
	Yes	35	1040	1075
	Total	35	1105	1140

Source: CGU and CEPESP-FGV. The total across rows and columns is equivalent to the number of municipalities in the sample.

Table 4: Summary Statistics

Statistic	N	Mean	St. Dev.	Min
SO Amount	9,593	449,858.100	3,060,374.000	65
SO Infraction Count	9,593	2.398	2.172	0
Corruption Index I (Binary)	9,593	0.398	0.489	0
Corruption Index II (Share of Total Infractions)	7,806	0.239	0.309	0.000
Corruption Index III (Amount)	9,593	125,695.300	954,251.900	0
Mismanagement Index I (Binary)	9,593	0.746	0.435	0
Mismanagement Index II (Share of Total Infractions)	7,806	0.761	0.309	0.000
Mismanagement Index III (Amount)	9,593	268,167.900	2,618,568.000	0