Street-Level Rule of Law:

Prosecutor Presence and the Fight against Corruption*

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Abstract

Prosecutors are central figures in the fight against corruption and the rule of law more broadly. Yet we lack systematic evidence about whether they are effective at reducing corruption and, if so, why. I argue that prosecutors' use of autonomy and discretion in anti-corruption work benefits from physical proximity to the communities they monitor. I test this theory through a causal event study of state prosecutors in Brazil, leveraging administrative data on their deployment and behavior across municipalities. I find that prosecutor presence causes increased anti-corruption action targeted at the local government. In response to prosecutor presence, local politicians hire more bureaucrats on the civil service, rather than on temporary contracts — a common vehicle for corruption in this setting. Consistent with prosecutor presence constraining malfeasance, I find that municipal accounts executed right after the arrival of a prosecutor have lower levels of corruption (as measured by federal auditors) than those executed right before. I combine these quasi-experimental findings with insights from a survey of politicians and in-depth interviews with prosecutors. Together, the results suggest that physical presence can make prosecutors more effective at fighting corruption, and provide rare causal evidence of the impact of autonomous prosecutors on local governance.

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1 Introduction

Prosecutors are central figures in the fight against corruption and the rule of law more broadly. Recent research has documented "a strikingly broad trend around the globe in vesting greater discretion and greater responsibility in prosecutors" (Langer and Sklansky, 2017, 1). This trend coincides with a global, upward trend in the conviction of politicians for corruption (Da Ros and Gehrke, 2024). Yet, while the power and discretion of prosecutors in criminal justice systems has been widely studied (Fionda, 1995; Davis, 2007; Wright and Miller, 2010), we have little systematic evidence of prosecutors' behavior and effectiveness in the fight against corruption, particularly outside the United States —where the selection of prosecutors is fundamentally political, and researchers have focused on documenting biases in their work (Gordon, 2009; Nyhan and Rehavi, 2018; Davis and White, 2021)— and anti-corruption campaigns in Latin America —where scholarly attention has focused on the successes and limitations of a small number of prosecutors in extraor-dinarily high-level cases (González-Ocantos et al., 2023; Da Ros and Taylor, 2022; Lagunes and Svejnar, 2020).

Two main reasons explain the scarcity of evidence about the effectiveness of prosecutors in fighting corruption. First, prosecutors' strength is typically understood as a macro-level variable; consequently empirical designs rarely go beyond observational or qualitative comparisons across countries (Van Aaken et al., 2010; Gutmann and Voigt, 2019) or states (Mueller, 2010). These designs limit our ability to learn about the impact of autonomous prosecutor's offices, separate from other good-governance institutions that correlate with them. Second, we do not typically observe prosecutors' actions outside the judicial system – this makes it hard to trace hypothesized causal chains and test observable implications of arguments about prosecutors' role in the fight against corruption. As a result, "empirical studies of prosecutorial processes, decision making, and outcomes based on original empirical research are almost nonexistent" (Tonry, 2012, 26).

This paper contributes to filling this gap. I start by theorizing what enables strong and autonomous prosecutors to fight corruption. I argue that prosecutors have an advantage, relative to other accountability actors like judges and auditors, because they have more power and discretion, can make use of a wider range of tools (including informal pressures and extra-judicial bargains and agreements), and they can act "in real time" to deter malfeasance. Their effectiveness at using these tools depends on their political insulation, a feature that cross-national research has emphasized (Van Aaken et al., 2010; Gutmann and Voigt, 2019). The core of my argument is that

autonomous prosecutors' effectiveness benefits from physical proximity to the communities they monitor, something previous research has overlooked. Physical presence aids effectiveness as it helps prosecutors obtain information, exert formal and informal pressures on government officials, and raise politicians' perceived probability of detection and of punishment.

My argument builds on previous studies that have examined the role of "presence" in the control of corruption and other bureaucratic tasks. Using an instrumental variable strategy, Litschig and Zamboni (2023) show that Brazilian municipalities which host the judiciary district headquarter have lower levels of corruption.¹ Other studies have found positive effects of proximity on service delivery² or tax collection.³ In contrast to these previous studies, this paper focuses on the physical presence of prosecutors –holding the existence and presence of the prosecutor's office constant–and traces its effects on anti-corruption action, on management decisions by government officials, and on levels of corruption.

Empirically, I focus on Brazil, a large federal democracy where prosecutors are extraordinarily autonomous and strong, especially when compared to other countries in the Global South.⁴ I leverage variation across municipalities and years in the presence of state prosecutors, using an imputation-based causal event study approach (Liu et al., 2024). To measure prosecutors' presence and anti-corruption actions for each municipality-year observation, I use administrative data scraped from websites of prosecutor's offices in eight states, covering over half of Brazil's population. I complement that data with detailed administrative data on municipal employment and audit data on corruption in municipal finances.

¹In contrast to this paper, Litschig and Zamboni (2023) focus on a bundled treatment that combines the presence of judicial and prosecutorial teams as a stable feature of some municipalities and examine effects on corruption alone. This makes it hard to identify which treatment components drive the measured impacts on corruption, and through what mechanisms.

²For example, Bozcaga (2020) shows that, in Turkey, local-level bureaucratic effectiveness benefits from geographic and social proximity among bureaucrats, decreasing transaction costs and facilitating service delivery. Other studies have found social embeddedness to undermine bureaucratic effectiveness, for instance among civil servants of the Indian Administrative Service (Xu et al., 2023).

³Balan et al. (2022) use a field experiment to demonstrate that local chiefs in Congo are more effective at tax collection than centrally-deployed state agents, arguably thanks to their better information and greater ability to induce compliance. On the other hand, other studies have found centrally deployed bureaucrats superior, for instance in historical state building in Latin America (Soifer, 2015).

⁴In a recent measure of prosecutorial independence across 97 countries (Gutmann and Voigt, 2019), Brazil was placed in the upper quartile of the distribution. All countries with higher scores of prosecutor independence are high-income countries. Several high-income democracies (including the United States, South Korea, France, and Spain) scored worse than Brazil.

There are three main advantages to this research design. First, by using fine grained administrative data, it allows me to trace both immediate outputs of prosecutorial pressure and relevant outcomes of local governance, thus illuminating the mechanisms by which prosecutorial presence works. Second, by examining the impacts of the universe of rank-and-file prosecutors, the design sheds light on how anti-corruption works within the standard bureaucratic environment of prosecutor's offices. This complements recent studies that have focused on the work of specialized teams working on high-level anti-corruption crusades (González-Ocantos et al., 2023; Da Ros and Taylor, 2022). Finally, by focusing on variation in prosecutor presence, this research contributes rare causal evidence of the effectiveness of prosecutor's offices, overcoming some of the limitations of macro-level comparisons across countries or states.

The event study results demonstrate that the presence of a prosecutor in the municipality causes a significant increase in anti-corruption actions targeted at the local government, including investigations, recommendations, and extra-judicial agreements. Using the same design, I show that prosecutorial presence leads to meaningful changes in management decisions by local government actors, and in particular to an increase in civil service hires (rather than temporary hiring), both in general and in posts of internal control. Civil servants' selection and careers are insulated from politics, and the prevalence of the civil service is often associated with better government performance and reduced corruption (Charron et al., 2017; Aneja and Xu, 2023). In contrast, bureaucrats whose contracts are controlled by politicians are more easily amenable to rent seeking and corruption (Brierley, 2020).

Using the timing of prosecutorial arrival relative to the year of municipal accounts later audited by the federal government, I show that prosecutor presence depresses corruption in municipal finances. I also provide suggestive observational evidence on mechanisms from an survey of politicians, who were more likely to declare meeting with the prosecutor and believing that the prosecutor's office knew the local reality in municipalities where a prosecutor was present. I complement these quantitative estimates with insights from in-depth qualitative interviews of prosecutors, politicians, and bureaucrats conducted between 2016 and 2023.⁵

In sum, this article advances our understanding of how autonomous prosecutors can be effective at fighting corruption. It does so by highlighting how the exercise of prosecutors' unique advantages benefits from physical proximity to the communities they monitor. This is an under-appreciated

⁵I interviewed 15 state prosecutors in five states across Brazil's two most populous regions (Ceará, Minas Gerais, Pernambuco, Rio Grande do Norte, and São Paulo). Interview details are included in Appendix A.

driver of prosecutorial effectiveness that previous research has overlooked. By highlighting the importance of territorial presence, this paper complements established views of effective rule of law institutions as depending on insulation and capacity, suggesting that decentralization and proximity may act as complements to those more fundamental factors.⁶

2 Theory

2.1 Why Presence Can Boost Prosecutorial Effectiveness

I start by articulating an argument on why autonomous prosecutors can be powerful anti-corruption actors. I highlight three key features of politically insulated prosecutors, all of which benefit from physical proximity: their power and discretion, the variety of tools at their disposal, and the fact that they can intervene to deter malfeasance before it occurs or while it is taking place. I detail each of these features below.

Prosecutors generally enjoy broad power and discretion. For instance, they typically get to decide who to prosecute, how harshly, and whether and how to negotiate. In many countries, prosecutors also have the monopoly of prosecution over some forms of malfeasance. The power and discretion of prosecutors is best appreciated by contrasting them to other accountability actors, including judges and external and internal auditors. Trial judges, for example, generally have little to no control over their case docket. When making decisions, they follow high standards of proof and can have their rulings undone by higher instances. As a result, it may take a long time for corrupt politicians to be punished in court. External auditors generally act on a constrained mandate, are limited to examining misspending *ex post*, and their reports often do not have a direct effect on political careers. While audits have been shown to be effective in contexts like Indonesia (Olken, 2007) and Brazil (Ferraz and Finan, 2011; Avis et al., 2018; Zamboni and Litschig, 2018), audit weaknesses and capacity issues have been shown to limit the effectiveness in other contexts (De La O et al., 2023; Cuneo et al., 2023). The effectiveness of internal auditors, in turn, depends on their selection and careers being insulated from politics, a rare institutional arrangement (Fernández-Vázquez, 2018; Vannutelli, 2024). In contrast, prosecutors often have significant power

⁶This builds on previous work that has highlighted the importance of another important aspect of prosecutors' organizational and relational capacity: the formation and cultivation of formal and informal groups of proactive prosecutors (González-Ocantos et al., 2023; Vilaça, 2023; Coslovsky, 2011).

and discretion, unparalleled to other accountability actors, as often noted by legal scholars:

"Prosecutors are potentially the most powerful figures in any country's criminal justice system. They decide what crimes to prosecute; whom to charge; what to charge; whether to plea-bargain, offer concessions, or divert a case; how aggressively to seek a conviction; and what sentence to propose. Police arrest people, but prosecutors decide whether those arrests lead to charges. Judges preside over trials and sentence convicted offenders, but only those whom prosecutors bring before them." (Tonry, 2012, 1)

Second, prosecutors often have a wide range of tools they can use in the fight against corruption, including investigations, court actions, and extra-judicial bargains and agreements. While this diverse set of tools and their discretionary use has been noted to lead to abuse in the criminal justice system (Davis, 2007; Sklansky, 2018), it does give prosecutors an advantage in the fight against corruption, which involves detecting, punishing, and deterring multiple forms of malfeasance that are often easy to conceal, precisely because they involve powerful political actors.

Third, prosecutors can deter malfeasance before it happens or while it is taking place. While auditors and judges examine the facts *ex post*, prosecutors can act "in real time", based on weaker, but more immediate, sources of evidence (such as a citizen report). While courts and auditors can also deter corruption, they only do so only by contributing to an environment where politicians perceive a higher probability of detection and punishment of malfeasance. Prosecutors, in contrast, can intervene in particular instances when, or even before, malfeasance occurs by providing timely information, making credible threats of judicial action, and providing extra-judicial inducements.

Prosecutors' ability to fight corruption depends on them being insulated from politics. It is therefore not surprising that, in many countries, prosecutors are subject to varying degrees of control from the executive power. In a cross-national study, Van Aaken et al. (2010) show that de facto prosecutorial independence is negatively correlated with corruption perceptions. In the United States, where the selection of prosecutors is essentially political, researchers have found significant bias in the targeting of anti-corruption efforts (Gordon, 2009; Davis and White, 2021), the timing (Nyhan and Rehavi, 2018), and resource allocation (Alt and Lassen, 2012).

In settings where prosecutors are sufficiently insulated from politics, their use of the power, discretion, and tools of their office to fight corruption benefits from being physically present in

⁷US Attorneys are appointed by the President, whereas district attorneys are elected.

the locality they monitor. This argument complements the common political economy view of effective rule of law institutions as depending on insulation and capacity, and draws attention to the organizational and relational foundations of effective accountability institutions.

I hypothesize three key channels connecting prosecutorial presence to anti-corruption actions and effectiveness. First, prosecutors have easier access to information about potential malfeasance in localities where they work. This is both because they can more directly obtain information (through observation, informal conversations, or investigations), and because affected parties (e.g., citizens, opposition politicians, or bureaucrats) can more directly report malfeasance to the prosecutor's office and provide supporting evidence. Second, physical proximity makes it easier for prosecutors to exert formal and informal pressures on government officials, be it through meetings, information requests, and more locally-relevant actions that build on richer information about local governance. Third, in localities where the prosecutor is present, government officials may perceive a higher probability of detection (and eventual punishment) of malfeasance, and thus adjust their behavior, even in the absence of explicit prosecutorial action.

2.2 How Presence May Exist without Embeddedness and Capture

A long literature in political economy has discussed the gains and losses of bureaucrats' social embeddedness in the communities they serve (Pepinsky et al., 2017; Grossman and Slough, 2022). Building on the concepts of embeddedness (Granovetter, 1985) and embedded autonomy (Evans, 1995), scholars have argued that bureaucrats' relationships to local communities and local elites can foster government effectiveness, using data from contexts as diverse as China (Tsai, 2007), India (Bhavnani and Lee, 2018), Turkey (Bozcaga, 2020), and Congo (Balan et al., 2022). Yet other studies have found that social proximity leads to capture and can hurt bureaucratic performance. The evidence on the deleterious effects of social embeddedness comes from contemporary India (Xu et al., 2018) and 19th century Latin America (Soifer, 2015).

While the debate on the ambivalent role of embeddedness for bureaucratic effectiveness is still open, two main reasons suggest that in the case of prosecutors presence may escape the dangers of embeddedness and capture. First, prosecutors and other anti-corruption actors are typically hired, deployed, and paid for from the center. This makes it harder for local elites to capture prosecutors and for connections with the locals to stymie their performance. Second, prosecutors are typically deployed for time constrained terms. For example, the EU's European prosecutors are deployed

for a non-renewable term of 6 years. In Brazil, while prosecutors cannot be removed against their will, the undesirable nature of most early destinations means de facto they move relatively quickly. Regardless of the source, prosecutor rotation ensures that deep social connections do not build between them and the local community, thus reducing the risk of capture. This is consistent with a lab experiment by Abbink (2004), who found that rotating pairs of potential bribers and public officials reduced corruption.

2.3 Why Identifying the Effects of Presence Matters

Identifying the impact of presence on prosecutorial effectiveness is important because it can help us better understand what makes rule of law institutions effective in practice. It is not uncommon for prosecutor's offices and other accountability institutions to be decentralized, yet this is often considered an organizational matter and not a source of effectiveness. Moreover, by leveraging variation across districts, rather than across prosecutor agencies or countries, a focus on presence can help us obtain plausibly causal evidence of the impact of prosecutors. This can illuminate both theoretical and policy debates about anti-corruption institutions and the sources of their effectiveness.

3 Institutional Setting

I focus on state prosecutors in Brazil, a large federal democracy where prosecutors have extraordinarily high levels of capacity, autonomy, resources, and discretion when compared to those of other countries (Kerche, 2008). Partly as a result of a decades-long building of bureaucratic autonomy (Arantes, 2002; Coslovsky and Nigam, 2016), the Constitution and multiple laws guarantee Brazilian prosecutor's offices autonomy from the executive, legislative, and judicial powers, and grant high levels of discretion and autonomy to individual prosecutors. This section describes the key details of how prosecutor's offices are designed, the municipal political environment, and the prosecution of local politicians.

⁸For example, in the United States, each US Attorney is responsible for a federal judicial district. In the European Public Prosecutor's Office, the European Delegated Prosecutors are deployed to, and work within, each member state.

⁹Prosecutor's offices in Brazil are legally considered to be outside all three branches of government (Garcia, 2017).

3.1 State Prosecutor's Offices

State prosecutor's offices (*Ministério Público dos Estados*, MP) are in charge of prosecuting most corruption charges in Brazil.¹⁰ This stems from their constitutional mandate to protect "inalienable social and individual interests,"¹¹ including "diffuse rights" such as the environment, consumer rights, and good governance. While prosecutors are also in charge of prosecuting crime, many are especially concerned with fighting corruption (Vilaça, 2024; Arantes, 2002).

Each of Brazil's 26 states has its own prosecutor's office, ¹² all autonomous from state executive, legislative, and judicial powers. While state prosecutor's offices follow their own rules and organization, there is significant isomorphism among them, partly because they all operate under a common legal framework¹³ and follow the guidelines of a national coordinating body – the National Council of Prosecutor's Offices (*Conselho Nacional do Ministério Público*, CNMP).

Each state prosecutor's office is territorially organized in districts (*comarcas*).¹⁴ Each of these districts typically corresponds to a medium or large municipality (or part of it), or to a group of smaller municipalities. In the latter case, the district is headquartered in the most prominent municipality, where the institution typically has an office and deploys its bureaucrats. Large districts have many prosecutors, often working in offices dedicated to specialized topics (e.g., healthcare, environment, or labor issues). The smaller districts typically have one prosecutor who, with a support team, takes care of all issues in the district. In any case, prosecutors are expected to live in the district to which they are deployed.¹⁵ Yet not all prosecutorial district headquarters have a prosecutor deployed to them, given limited human resources. The design I exploit in this paper

¹⁰The exception is cases of corruption in the use of federal transfers, which are dealt with by the federal prosecutor's office (*Ministério Público Federal*).

¹¹Article 127 of the Constitution, which also charges prosecutors with the "defense of the legal order" and of "the democratic regime."

¹²The federal district has its own prosecutor's office which, together with the federal, military, and labor prosecutor's office make up the Union Prosecutor's Office (*Ministério Público da União*).

¹³Including a national law of prosecutor's offices: the 1993 Law 8,625, *Lei Orgânica Nacional do Ministério Público*, available at https://www.planalto.gov.br/ccivil_03/leis/18625.htm.

rerio Publico, available at https://www.planaito.gov.br/ccivii_03/leis/18625.htm.

14Prosecutorial districts often, but not always, coincide with the judicial districts (*comarcas judiciárias*).

¹⁵Article 129 of the Constitution and Article 43 of Law 8,625. This obligation was further developed in Resolution 26 of the CNMP (available at https://www.cnmp.mp.br/portal/images/Resolucoes/Resoluc-0261.pdf), which allows for extraordinary exceptions when authorized by the state's chief prosecutor. As a result, most prosecutors do reside in the district where they work. In the northeastern state of Ceará, only 56 out of 453 prosecutors (12.4%) are authorized to live in a different district, as of May 2023.

leverages variation across municipalities and years in the presence of prosecutors in the headquarters of small districts. ¹⁶

Seven institutional design features protect the autonomy of prosecutors from political influence and enhance their commitment to a bureaucratic ethos. First, prosecutors are selected through highly competitive, merit-based civil service examinations. Second, once selected, and after a two-year probationary period, prosecutors are appointed for life. Third, prosecutors cannot be removed from their post – once they take an office anywhere in the state, they cannot be forced to leave it. Fourth, prosecutors advance in their careers (and move towards more desirable posts if they so desire) based mostly on seniority and the availability of posts. Fifth, prosecutors enjoy

 16 This variation across municipalities and years is illustrated with maps in Appendix C.

¹⁷To enter the selection process, candidates must be Brazilian citizens, have an undergraduate law degree, and have at least three years of professional legal experience (Article 129 of the Constitution). The selection process includes written and oral tests on law, and are generally seen as objective and free from manipulation. A recent study of Brazilian judges, who are selected through a very similar civil service examination process, has shown that performance in these tests is associated with on-the-job performance (Dahis et al., 2023).

¹⁸Tenured prosecutors can only lose the job after a court ruling, in cases of crimes deemed incompatible with their role (Article 38 of Law 8,625).

¹⁹The only exception would be if a majority of the state prosecutor's office board, the *Conselho Superior do Ministério Público*, voted in favor of moving a colleague based on reasons of public interest (Article 128 of the Constitution).

²⁰When there are vacant posts to be filled, state prosecutor's offices issue a public call for promotion or transfer. These calls are decided alternately on the criteria of seniority or merits. In practice, most calls based on merit are decided based on seniority, given the difficulty of assessing merits. In any case, merits are assessed on objective criteria and assessments are public (Resolution 244 of the CNMP, available at https://www.cnmp.mp.br/portal/images/Resolucoes/2021/Resoluo-n-244-2022.pdf). The criteria for each call, the candidates, their ranking, and ranking criteria are all public on the internal prosecutor's office website, allowing prosecutors to monitor the process.

²¹Prosecutors' careers are typically organized in three main ranks. After being selected, entrants are typically appointed as "substitute prosecutors" (*promotores substitutos*), essentially being deployed for short periods of time to work somewhere with a particularly high demand, either on their own or supporting more experienced prosecutors. After two years, they are given tenure and promoted to prosecutors (*promotores titulares*). Their first deployment is to an a entry-level district (*comarca de entrância inicial*). These are typically small districts grouping several municipalities, with low or no level of specialization, and where there is often only one prosecutor. Then, based on the availability of posts, seniority, and merits, prosecutors can move to other entry-level districts or be promoted to medium-level districts (*comarcas de entrância intermediária*) in larger municipalities with more complexity and specialization. Later they can also be promoted to final-level districts (*comarcas de entrância final*), typically in the state capital and sometimes in other large cities. Senior prosecutors can opt to be promoted (based on seniority, merits, and sometimes an internal examination) to the senior-level rank of *procurador*. The main difference is that *procuradores* can act before high-level courts, while *promotores* cannot.

very high salaries. For example, in 2020, prosecutors in the southeastern state of Minas Gerais were paid an average net monthly salary of over 41,000 Brazilian reais (about 8,000 US dollars with the exchange rate at the time).²² High salaries and other privileges that prosecutors enjoy make it harder for them to be captured by political elites or by special interest, and ensure a long-term commitment to the career.²³ Sixth, the chiefs of state prosecutor's offices (so-called *Procuradores-Gerais de Justiça*) are selected by the governor (the head of the state's executive power) from a list of three prosecutors resulting from an internal election where only prosecutors vote. Finally, prosecutors are forbidden from engaging in any partisan or political activity, charging any legal fees, or having any participation in firms (except as a stockholder).²⁴

In sum, the institutional design of Brazilian prosecutor's offices protects the autonomy of prosecutors from political influence. This contrasts with the design of prosecutor's offices in many high-income countries, where prosecutors are often dependent on the executive power (or, in the case of district attorneys in the US, on voters), do not have a career separate from that of judges, or are not empowered to act in the defense of collective interests such as good governance (Aaken et al., 2004; Tonry, 2012).

3.2 Municipal Governments

Brazil has 5,570 municipalities, distributed across 26 states and a federal district. Municipal governments are responsible for providing primary services in areas like education, healthcare, and social assistance. Partly due to their responsibilities in service delivery, the municipal workforce is typically large. On average, in 2016, municipal governments hired 4.9% of the local population and 38.2% of those employed in the formal labor market.²⁵ Municipal employees enjoy a wage premium relative to the private sector (Colonnelli et al., 2020, 3090), similar to other developing contexts (Finan

²²Salaries vary with seniority. For instance, entry-level prosecutors (*promotores substitutos*) were paid, on average, about BRL 33,000, whereas prosecutors at the top of the career (*procuradores*) received on average BRL 47,000. These figures are from complete individual payroll reports obtained from the transparency portal of the state prosecutor's office. The averages reported here include base salary as well as extras and benefits, and are net of income tax withholdings.

²³Consistent with this, Boylan and Long (2005) show with data from the United States that, in districts where the private sector pays higher salaries, assistant US attorneys are more likely to take cases to court as a way to gain trial experience in order to get a job in the private sector. They also show that, in those districts, assistant US attorneys have higher turnover rates.

²⁴Article 128 of the Constitution.

²⁵Figures are from the administrative labor data described below.

et al., 2017). Employment opportunities in the typical municipality, which is small and relatively poor, are scarce.²⁶ Therefore, public employment is highly valued and can be mobilized for a variety of political purposes.

Mayors (who are elected by majority rule every four years and can only be re-elected once) and the secretaries they appoint have some discretion over the hiring and firing of bureaucrats. Such discretion differs significantly between the civil service and other hiring modes with fewer employment protections. The Constitution mandates all permanent staffing needs to be filled with civil service contracts, ²⁷ which have tenure for life after a short probationary period. ²⁸ Approximately a third of municipal employees are hired on temporary contracts, ²⁹ which can legally be used to hire political appointees for management or leadership positions, or to fill short-term or urgent staffing needs. ³⁰ In practice, temporary hiring is often used where the civil service should prevail, often as a vehicle for political appointments. ³¹

The abuse of hiring outside the civil service has been shown to help politicians reward political supporters after getting to office (Colonnelli et al., 2020), build legislative coalitions (Mignozzetti et al., 2024), and mobilize supporters ahead of a re-election campaign (Toral, 2023). It has also been shown to be detrimental for citizen welfare; bureaucrats selected under temporary contracts often have worse qualifications and experience (Colonnelli et al., 2020; Toral, 2024a), and their turnover, induced by political turnover, depresses the quality of public services (Akhtari et al., 2022; Toral, 2024b).

3.3 Prosecution of Local Politicians

Given the centrality of public employment in local politics and the strong legal basis for mandating hiring in the civil service, prosecutors often seek to constrain local officials' use of temporary

²⁶According to the 2010 census, the median municipality had fewer than 12,000 inhabitants and a per capita income of less than 500 Brazilian reais (about USD284 at the exchange rate at the time).

²⁷Article 37.II of the Constitution.

²⁸Tenured employees can only be fired in extraordinary circumstances, e.g., after a corruption conviction.

²⁹I use the term temporary contracts to refer to all non-civil service contracts. These contracts can use a variety of labor regimes, all of which lack tenure.

³⁰Article 37.IX of the Constitution.

³¹In a face-to-face survey of bureaucrats I did in Rio Grande do Norte in 2018, 58% of respondents expressed the highest level of agreement with the statement "political connections influence the hiring of temporary bureaucrats" (Toral, 2024a).

contracts. For example, a prosecutor I interviewed in the southeastern state of São Paulo reported a task-force was established to monitor the political appointment of bureaucrats.³²

Prosecutors have at their disposal a variety of tools to fight local-level corruption, both judicial and extrajudicial. They can open formal investigations, issue recommendations, negotiate and sign extra-judicial agreements, and file public civil actions in court.³³ They can also use more informal tools, like meetings, phone calls, and e-mails. A prosecutor I interviewed in the northeastern state of Rio Grande do Norte acknowledged that sometimes such informal pressures can have an effect on local government officials.³⁴

For politicians, the consequences of being charged for violating public employment rules are potentially very severe. If found guilty, they are subject to penalties, including the loss of their post, having their political rights suspended, substantive fines, and even imprisonment.³⁵ In practice, it is not uncommon for politicians to be charged for corruption. Lambais and Sigstad (2023) estimate that about 7.7% of mayoral election winners or runner-ups are involved in a court case accused of corruption charges. Bento et al. (2021) document 1,716 judicial cases involving mayors and former mayors between 1992 and 2016 in the southern state of Rio Grande do Sul, which has 497 municipalities. In the state of São Paulo, 40% of municipalities had their mayors or former mayors convicted of corruption charges in just one year; 83% of them had to pay fines, and 68% had their political rights suspended (Anuário da Justiça de São Paulo, 2016). Because convictions are not rare, prosecutors can often induce compliance through extra-judicial measures.

4 Research Design

To measure the impact of prosecutors on local governance, I leverage variation in the physical presence of a prosecutor across years and municipalities. Using a novel, imputation-based causal event study approach (Liu et al., 2024) that bypasses some of the well-known issues with two-way fixed-effects specifications (Baker et al., 2022; Roth et al., 2023),³⁶ I identify the causal effect of a

³²State prosecutor interviewed in the state of São Paulo in September of 2018.

³³More details about each of these anti-corruption actions are included in Section 4.3 below.

³⁴Prosecutor interviewed in Rio Grande do Norte in June 2018.

³⁵The legal penalties for breaches of public employment laws are contained in the Constitution, the Administrative Impropriety Law, the Electoral Law, and the Penal Code, among other legal instruments.

³⁶Other recently developed approaches to causal inference in panel settings are inappropriate in this setting, either because they assume staggered adoption of treatment without reversals (Callaway and

prosecutor being deployed to a municipality on anti-corruption action and on public employment.

4.1 Identification

To identify the causal effect of prosecutorial presence, I exploit variation across municipality and years in the deployment of prosecutors. Several factors drive this variation in treatment. First, most state prosecutor offices lack enough prosecutors to staff all district headquarters. Over time, with the hiring of junior prosecutors growing faster than the retirement of senior ones, more district headquarters have been staffed. Second, the prosecutorial districts that go from untreated to treated or vice versa are the relatively small and remote entry-level districts, typically staffed by junior prosecutors. As they advance in their careers, prosecutors seek to move to the capital city or close to it, where their living conditions can be better and there are more specialized prosecutor offices.

Municipalities under control (i.e., without a prosecutor deployed to them) are subject to exactly the same rules and are monitored by a prosecutor in a nearby district, who is paid extra for the additional work. This prosecutor will typically travel to the district from time to time (e.g., once a week). In any case, districts without a prosecutor deployed to them still have a physical infrastructure and prosecutorial staff working in them. In baseline specifications I use data for all municipalities, but results are similar when restricting the sample to municipalities that held the headquarter of a prosecutorial district in 2020.

The Liu et al. (2024) imputation-based estimator of treatment effects is unbiased and consistent³⁷ under a strict exogeneity assumption.³⁸ This assumption involves the absence of time-varying confounders, anticipation effects, and carryover effects (Imai and Kim, 2019). A key advantage of the imputation method of Liu et al. (2024) is that we can test for the validity of these identifying assumptions. These tests, presented below, all fail to detect violations.

Sant'Anna, 2021; Sun and Abraham, 2021) or a balanced panel (Imai et al., 2023; De Chaisemartin and d'Haultfoeuille, 2020). The Liu et al. (2024) method is very similar to the imputation event study method developed in parallel by Borusyak et al. (2024). Chiu et al. (2023) replicate 38 panel data studies in top political science journals and show that, in practice, these new estimators often lead to estimates that are similar to each other and to the traditional two-way fixed-effects specification.

³⁷Assuming spherical errors, the imputation method is also the most efficient among all linear and unbiased estimators (Borusyak et al., 2024).

³⁸The strict exogeneity assumption implies the parallel trends assumption.

First, variation in prosecutor presence is mostly driven by entry-level districts, and thus by the hiring of new prosecutors and the career advancement of more experienced ones. Second, moves by junior prosecutors are mostly driven by the availability of posts and by seniority. Third, prosecutor deployments are not announced *ex ante*. Fourth, the boundaries of prosecutorial districts are largely constant across time, ³⁹ and set according to administrative criteria. Finally, state prosecutor's offices are autonomous and do not report to or depend on municipal governments. Consistent with the strict exogeneity assumption, randomized federal anti-corruption audits do not have an effect over the deployment of prosecutors, regardless of whether they uncover low or high levels of corruption in the municipality (Appendix G).

4.2 Estimation and Inference

The Liu et al. (2024) estimator follows an imputation procedure. Using only untreated observations (i.e., municipality-year observations without a prosecutor), municipality and year fixed effects are fitted and then used to impute the counterfactual potential outcomes for treated units under control. The individual treatment effect for each treated observation (ITE) is estimated by taking the difference between its observed outcome and its imputed counterfactual outcome: $\hat{\tau}_{it} = Y_{it} - \hat{\alpha}_i - \hat{\beta}_t$. ITEs are then aggregated to obtain dynamic treatment effects for each period (DTEs) and overall average treatment effects on the treated (ATT).

For inference, the Liu et al. (2024) procedure uses non-parametric block bootstrap clustered at the unit level. In this case, that implies clustering at the municipality level, which is appropriate as municipalities are where treatment is assigned (Abadie et al., 2023).⁴⁰

³⁹In the states for which I have assembled historical district data, there is only a handful of cases of district creation or reform. Using the same event study design, I find that when a municipality becomes the headquarters of a prosecutorial district, it is more likely to have prosecutors deployed to it (Appendix F).

⁴⁰The block bootstrap procedure essentially entails resampling many times, with replacement, an equal number of municipalities from the original sample and re-doing the imputation and estimation of the ATT and DTEs with each bootstrap. I use 1,000 block bootstraps. Standard errors and confidence intervals are obtained from the standard deviation and percentiles of the distributions of the resulting estimates.

4.3 Data

To analyze the impacts of prosecutor presence, I built a panel of municipality-year observations, leveraging administrative data from state prosecutor's offices and from the federal government.

To obtain data on prosecutors' presence and activity, I scraped the transparency portals of state prosecutor's offices. I use data for eight states (across all of Brazil's five regions) which, together, cover 54.6% of Brazil's population and 57.5% of its municipalities (details in Appendix B). I measure the deployment of prosecutors by leveraging monthly staffing and payroll files. I identify a municipality-year observation as treated if there are at least 12 unique prosecutor-month records assigned to it.⁴¹ In total, I have prosecutor presence data for about 25,000 municipality-year observations, 27.7% of which are treated.⁴²

Treatment effect estimates are driven by municipalities that switch from not having a prosecutor to having a prosecutor present.⁴³ These municipalities (*switchers*) are systematically different from both those that always have a prosecutor present (*always treated*) and those that never do (*never treated*), as shown in Appendix D. While there is significant overlap, always-treated municipalities tend to be larger, wealthier, more developed, and less rural than switchers; the opposite applies for never-treated municipalities. Practically all switcher municipalities correspond to prosecutorial district headquarters.⁴⁴

To measure the effect of prosecutor presence on anti-corruption actions, I use scraped data for the five states in the sample where such activity can be identified at the municipality-year level. In particular, I examine four types of anti-corruption action that prosecutors can take. For each of them, I count the number of actions by municipality and year, 45 excluding all those not related to mismanagement or corruption. 46

 $^{^{41}}$ A municipality may have more than 12 prosecutor-month records if it has several prosecutors deployed to it. Results are similar using other thresholds to define prosecutor presence, e.g., 6 or 9 prosecutor-month records.

⁴²Treatment histories are visualized in Appendix E.

⁴³Untreated observations are used to estimate the counterfactual for treated observations. Alwaystreated municipalities are disregarded by the imputation method.

⁴⁴In states for which I have historical prosecutorial district data, 99.8% of treated municipality-year observations correspond to district headquarters.

⁴⁵I assign each anti-corruption action to the year of its establishment only.

⁴⁶To select anti-corruption actions, I use prosecutor office's topical classification of actions and keep only those including key words such as public assets (*patrimônio público*), public mismanagement (*improbidade administrativa*), or administrative law (*direito administrativo*).

The four types of anti-corruption action I examine are preparatory proceedings, civil investigations, recommendations, and extra-judicial agreements. Preparatory proceedings (*procedimentos preparatórios*) are preliminary investigations to gather evidence and examine the facts and potential for prosecutorial action.⁴⁷ Civil investigations (*inquéritos civis*), are more formal, the affected parties are generally notified (except when the law allows for confidentiality), and can be extended for longer periods of time.⁴⁸ Recommendations (*recomendações*), which can be issued in the context of preparatory proceedings or civil investigations,⁴⁹ request that a party (e.g., a mayor) do or cease to do something to ensure compliance with the law.⁵⁰ Finally, extra-judicial agreements (*termos de ajustamento de conducta*, TACs) are negotiated and, once signed, are binding.⁵¹

To measure how prosecutorial presence impacts management decisions by local government officials, I look at municipal employment. I use the federal government's Annual Social Information Report (RAIS, *Relação Anual de Informações Sociais*). All formal employers –including municipal governments– are legally obliged to report all their contracts every year. RAIS therefore contains data on the universe of municipal employees, including contract type, start and end dates, salary, reason for termination, and professional category, among other variables. I count the number of new hires⁵² in each municipality-year observation, by whether they have a civil service contract or a temporary one.⁵³ With this data, I examine the effects of prosecutor presence on the number of

⁴⁷Preparatory proceedings may last up to 180 days, as per the 2017 Resolution 23 of the CNMP (available at https://www.cnmp.mp.br/portal/images/Normas/Resolucoes/Resoluc-0232.pdf).

 48 Civil investigations may last up to 2 years (Resolution 23 of the CNMP). At any point during preparatory proceedings or civil investigations, the prosecutor may archive the case or file a public civil action ($acc{c}$ in court. Both preparatory proceedings and formal investigations can be established at the discretion of the prosecutor, unprovoked or after a request from an affected party. Requests to establish an investigation may be declined by the prosecutor in writing with a justification.

⁴⁹In urgent cases, recommendations can also be issued before the establishment of preparatory proceedings or a civil investigation (Resolution 28 of the CNMP, available at https://www.cnmp.mp.br/portal/images/Resolucoes/Resolu%C3%A7%C3%A3o-164.pdf.

⁵⁰Recommendations must include a rationale, a specific action requested, an a deadline. Recommendations sometimes also include the consequences that not following it may have.

⁵¹Once signed, TACs have the same executive force as a court order. Agreements must contain specific obligations and a daily fine the affected party will be subject to for breaches after the deadline. Agreements are intended to enhance public officials' compliance with the law and compensation for damages (including financial damage to government budgets), while avoiding the slow and costly procedures of a public civil action in court.

⁵²I exclude contracts for less than 35 hours a week (the mean of the distribution of weekly hours in municipal jobs, and roughly equivalent to a full-time job) so as to not double count employees that have several part-time jobs.

⁵³I code contracts in the *regime jurídico único de servidores públicos* as civil service, and all others (which use a variety of legal regimes) as temporary. Unfortunately, RAIS does not allow a reliable identification of

new hires in the civil service, the number of new hires on temporary contracts, and the share of new hires in the civil service.⁵⁴

Finally, to measure effects of prosecutor presence on corruption, I follow Avis et al. (2018) and use the count of "serious irregularities" uncovered by the audits performed by Brazil's federal comptroller's office (CGU, Controladoria-Geral da União).⁵⁵ These audits are done by high-capacity and well-insulated auditors deployed to the municipality by the CGU to a few dozen municipalities every year, focused on the municipal accounts of several years before the year of the audit.⁵⁶

5 Results

The event study estimates presented below demonstrate that the presence of a prosecutor in a municipality leads to an increase in anti-corruption action targeted at the local government (including preparatory proceedings, investigations, recommendations, and agreements). Consistent with public officials responding to prosecutorial pressures, prosecutor presence also causes an increase in the prevalence of civil service hiring. Tests for the identifying assumptions all lend support to the validity of the design. I then present plausibly causal evidence that prosecutorial presence reduces corruption, leveraging the timing of a prosecutor's arrival to a municipality relative to the year of municipal accounts examined by federal auditors. A final subsection presents observational evidence on mechanisms leveraging an online survey of local politicians.

politically appointed employees (e.g., cargo comissionado, função de confiança).

⁵⁴In order to keep all observations, I assign that share to zero when there are no new hires, but results are similar when dropping those observations.

⁵⁵CGU records uncover serious irregularities in only 16% of the cases. For a given year of municipal accounts, the number of serious irregularities uncovered by federal audits has a first quartile and median of 0, a mean of 2.33, and a third quartile of 3. Serious irregularities include: "failure to fulfill accountability duties (including the withholding of information necessary for the operation of internal control)", "damages to government funds resulting from illegitimate or uneconomical management decisions", "embezzlement or misappropriation of public funds, assets, or values", and "engagement in illegal, illegitimate, or uneconomical management actions, or violation of legal or regulatory norms that: a) have the potential to cause losses to government funds; or b) constitute a serious deviation from the principles to which public administration is subjected" (Ministério da Transparência e Controladoria-Geral da União, 2018).

⁵⁶Up until 2015, the targeting of municipalities was randomized. Since then, audited municipalities are chosen by a mix of lotteries and scores of a corruption risk that is not publicly known.

5.1 Effects of Prosecutor Presence on Anti-Corruption Action

Causal event study estimates suggest prosecutorial presence in a municipality causes an increase in anti-corruption action targeted at the local government. The first two columns in Table 1 showsthat, on average, prosecutorial presence leads to an increase of 0.74 preparatory proceedings and 1.59 formal investigations on corruption and mismanagement by the local government (p < 0.001). These effects correspond to about 0.20 and 0.17 standard deviations of the number of preparatory proceedings and investigations in municipalities without a prosecutor.

Table 1: Average Treatment Effect Estimates of Prosecutor Presence on Anti-Corruption Actions

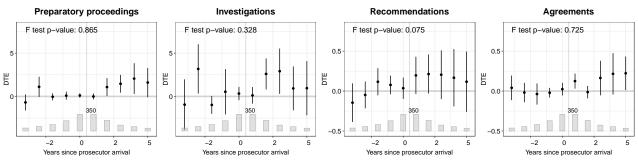
	Proceedings	Investigations	Recommendations	Agreements	
ÂTT	0.743*** (0.183) [0.384, 1.102]	1.587*** (0.381) [0.840, 2.334]	0.186** (0.065) [0.060, 0.313]	0.086* (0.033) [0.020, 0.151]	
Mean outcome under control	0.755	3.378	0.194	0.112	

^{*}p<0.05; **p<0.01; ***p<0.001. Each column presents the ATT estimates of prosecutor presence on the number of preparatory proceedings, civil investigations, recommendations, and extra-judicial agreements, respectively, on issues related to corruption. The municipality-clustered standard errors are in brackets, and the 95% confidence intervals, in square brackets, below them. Both are estimated through the block bootstrap.

The increase in prosecutorial action is not restricted to mere investigations. The last two columns in Table 1 show that the presence of a prosecutor also causes an increase in the number of recommendations issued to local government officials, and extra-judicial agreements signed with them. In particular, recommendations increase by 0.19 on average (p < 0.01) and agreements increase by an average of 0.09 (p < 0.05), equivalent to increases of about 0.22 and 0.12 standard deviations, respectively. These effects, which are both substantively and statistically significant, suggest that prosecutorial anti-corruption pressure targeted at the local government is not restricted to mere investigation and achieves policy changes.

The dynamic treatment effect estimates shown in Figure 1 show that increases in anticorruption action follow shortly after the arrival of a prosecutor and, with the exception of investigations, are generally sustained across time. This is relevant because it suggests that increases are not driven merely by an initial impulse or overcompensation for the previous absence of a prosecutor in the municipality, and that indeed anti-corruption pressure fundamentally changes with prosecutor presence.

Figure 1: Dynamic Treatment Effect Estimates of Prosecutor Presence on Anti-Corruption Actions



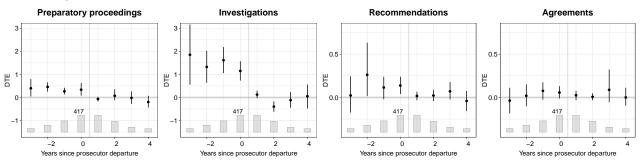
Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots. The F test p-value reported in the upper left corner of each plot corresponds to the test of no pre-trend.

Multiple pieces of evidence lend support to the validity of the design. First, the pre-treatment DTEs are generally insignificant. Second, the *F* test for no pre-trend returns high *p*-values in all cases, as seen in the upper left corner of the plots. Third, ATT estimates are similar (in both substantive and statistical significance) using binary or logged measures of the outcomes (Appendix H) or excluding municipalities that are unlikely to switch to treatment because they do not hold the headquarter of a prosecutorial district (Appendix I). Fourth, placebo tests that re-estimate DTEs and the ATT assuming prosecutors arrive 1, 2 or 3 years before they actually do return statistically insignificant results (Appendix J). Tests for the no carryover assumption that re-estimate DTEs and the ATT assuming prosecutors stay 1 or 2 years after they actually depart also return insignificant results (Appendix K.)

Additional evidence of the estimates in Table 1 and Figure 1 being causal comes from an examination of instances where a municipality goes having to not having a prosecutor present. As shown in Figure 2, the treatment effect estimates disappear shortly after the departure of a prosecutor. This lends further support to the idea that the effects shown in Figure 1 are driven by prosecutor presence.

Taken together, these results show that the presence of a prosecutor in a municipality leads to an increase of anti-corruption actions targeted at the local government. These actions include not just investigations, but also recommendations and even agreements that generate binding obligations for public officials. These treatment effects suggest that presence makes it easier for

Figure 2: Dynamic Treatment Effect Estimates of Prosecutor Presence, Relative to their Departure, on Anti-Corruption Actions



Observations are indexed relative to the time of prosecutor departure. See notes under Figure 1.

prosecutors to detect malfeasance and highlight the role of physical proximity for accountability and rule of law institutions.

This is consistent with what some prosecutors reported in interviews. A prosecutor I interviewed in the state of Rio Grande do Norte said: "it makes a big difference if the prosecutor is in the district." Unprompted about the issue, a prosecutor I interviewed in the state of Minas Gerais said: "if the prosecutor does not spend a lot of time in the district it can lead to trouble; the population needs to feel that their reports [of malfeasance of corruption] will be taken care of; [...] the prosecutor needs to understand the local reality and its political conflicts." When I asked how physical presence helped throughout investigations, this prosecutor mentioned the collection and assessment of evidence and the negotiation of extra-judicial agreements. While municipalities without a prosecutor are covered by a prosecutor in a nearby district and have lower-level staff working locally, prosecutorial pressure and capacity is diminished. Several prosecutors I interviewed in Minas Gerais and São Paulo said that when a prosecutor is not present, the anti-corruption and public management area suffers most.

These effects are also consistent with efforts by state prosecutor's offices to further extend their presence throughout the territory, and ensure that prosecutors generally reside where they work. The state prosecutor's office of Minas Gerais, for example, has run a program since 2010 called "traveling prosecutor's office," which brings prosecutors, workshops, and events to small municipalities that are not a district headquarters. ⁵⁹ When the CNMP regulated the constitutional

⁵⁷Prosecutor interviewed in Rio Grande do Norte in June 2018.

⁵⁸Prosecutor interviewed in Minas Gerais in November 2023.

⁵⁹Similar projects exist in other states. More information about the one in Minas Gerais can be found at https://www.mpmg.mp.br/portal/menu/areas-de-atuacao/cidadania/inclusao-e-

mandate for prosecutors to live in the district where they work, one of its members stated: "only the constant presence of the prosecutor, with their effective integration into the local social fabric, leads to the perception of issues affecting the community, enabling the appropriate representation of diffuse and collective interests" (CNMP, 2007).

5.2 Effects of Prosecutor Presence on Public Employment

Does the presence of prosecutors change local government officials' decisions? Event study estimates of effects of prosecutor presence on municipal employment suggest that they do. Table 2 shows that municipalities with a prosecutor present hire, on average, 7.3 more bureaucrats on the civil service than those without a prosecutor (p < 0.05). On the other hand, prosecutor presence does not lead to any discernible increases in the number of temporary hires. As a result, the share of new employees hired with civil service contracts appears to increase with prosecutor presence, although again that difference is marginally insignificant (p = 0.08). The magnitude of absolute and relative increases in civil service hiring is not trivial: the ATTs on the number of civil service hires and the share of hires in the civil service correspond to about 0.10 and 0.05 standard deviations of the distributions under control.⁶⁰ The dynamic treatment effects shown in Figure 3 suggests that the presence of the prosecutor unleashes civil service hires shortly after the arrival of the prosecutor. The share of hires in the civil service appears to increase with time.

Table 2: Average Treatment Effect Estimates of Prosecutor Presence on the Hiring of Municipal Bureaucrats

	Civil servants	Temporaries	Share civil servants	Controllers
ÁTT	7.326* (3.563)	4.123 (6.736)	0.020 (0.011)	0.038* (0.017)
	[0.342, 14.310]	[-9.080, 17.326]	[-0.003, 0.042]	[0.005, 0.070]
Mean outcome under control	27.805	56.055	0.347	0.088

p<0.10; *p<0.05; **p<0.01; ***p<0.001. Each column presents the ATT estimates of prosecutor presence on the number of new civil service hires, the number of new temporary hires, the share of new hires in the civil service, and the number of new hires of controller bureaucrats with civil service contracts in the municipal bureaucracy, respectively. The municipality-clustered standard errors are in brackets, and the 95% confidence intervals, in square brackets, below them. Both are estimated through the block bootstrap.

mobilizacao-sociais/ministerio-publico-itinerante.shtml.

⁶⁰This contrasts with the ATT estimate for hires under temporary contracts, equivalent to to just 0.5% of a standard deviation.

Part but not all of these civil service hires caused by the presence of a prosecutor correspond to municipal positions of internal control, which can improve compliance and reduce corruption, while helping politicians deal with prosecutorial pressures and legal challenges. I examine the number of civil service hires corresponding to jobs that are recorded in RAIS as corresponding to auditors, controllers, and counsels, 61 The last column in Table 2 shows that indeed prosecutorial presence does cause an increase in the hiring of controllers in the civil service on average by 0.038 bureaucrats $(\rho < 0.05)$. This is equivalent to 0.10 standard deviations of the distribution of controller hires in the civil service in municipalities without a prosecutor. This effect suggests that one of the responses at the local level is the strengthening of internal control institutions. At the same time, the fact that most of civil service hires are not in these roles suggests that the effects are much broader and have implications for public management across all sectors.

Share of hires in the civil service Civil service hires Temporary hires Civil service controller hires F test p-value: 0.845 F test p-value: 0.916

Figure 3: Dynamic Treatment Effect Estimates of Prosecutor Presence on Municipal Employment

Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots. The F test p-value reported in the upper left corner of each plot corresponds to the test of no pre-trend.

These analyses with municipal employment outcomes also pass the validity tests. First, pretreatment DTEs in Figure 3 are insignificant, and the F test for no pre-trend returns high p-values. Second, results are similar when excluding municipalities that are not district headquarters (Appendix I). Third, the placebo and carryover effect tests are passed (Appendices J and K, respectively) - with the exception of the carryover effect tests for the hiring of controllers. On the other hand, these findings, unlike those for anti-corruption action, are sensitive to the outcome specification. As shown in Appendix H, the results using binary and logged measures of employment outcomes are all statistically insignificant, although they move in the same direction as those reported in Table 2.

 $^{^{61}}$ By counsels I refer to municipal lawyers in charge of advising and representing the local government (procuradores municipais).

These results suggest local government officials do respond to prosecutor presence and adjust their decisions in one of the most important dimensions of public management in this context – public employment. This is consistent with qualitative evidence from interviews with bureaucrats and politicians who explained changes in hiring practices were driven by pressures from the state prosecutor's office. For example, two municipal school directors I interviewed in the southeastern state of Rio de Janeiro said that, while their school's teaching force had largely been on temporary contracts, the share of civil servants had increased significantly as a response to pressures from the state prosecutor in the locality.⁶²

Public employment is often central to prosecutors' work on anti-corruption and public management, as shown by interviews and administrative data. In interviews, prosecutors themselves often highlight the importance of the civil service, and refer to processes to impose a civil service process and/or reduce the incidence of hiring through other modalities. This is also evident on administrative data. Of all the extra-judicial agreements in this area in the state of São Paulo, 43.5% include employment-related terms in their thematic classification.⁶³

Three reasons make the effects of prosecutorial presence on the civil service hiring meaningful. First, they imply a reduction in the relative prevalence of temporary hiring, which sometimes allows politicians to use public employment for private gain, be it by rewarding supporters (Colonnelli et al., 2020), building and sustaining legislative coalitions (Mignozzetti et al., 2024), or mobilizing supporters ahead of elections (Toral, 2023). Second, the growth in civil service hiring can further constrain local governments' ability to engage in corruption, both in the short- and long-term. For instance, when politicians have direct control over bureaucratic careers, it is easier for them to manipulate procurement processes (Charron et al., 2017; Brierley, 2020). Finally, having a larger share of the bureaucracy on civil service contracts has the potential to improve public service delivery (Aneja and Xu, 2023). A key mechanism connecting civil service contracts to government performance is that they lessen the connection between political and bureaucratic turnover, which has been shown to depress service delivery in Brazil (Akhtari et al., 2022; Toral, 2024b).

⁶²Municipal school directors interviewed in the state of Rio de Janeiro in February of 2017.

⁶³These include terms for employee (*servidor*, *empregado*), temporary hiring (*temporário*, *cargo comissionado*), and civil service hires (*concursado*).

5.3 Effects of Prosecutor Presence on Corruption

If prosecutorial presence fundamentally constraints malfeasance, we should observe that municipalities where a prosecutor is deployed have lower levels of corruption. This is hard to assess empirically because we lack reliable municipality-year measures of corruption. To overcome this challenge, I exploit variation timing of prosecutor arrival, relative to the years of municipal accounts audited by federal auditors deployed by the CGU. In essence, I examine whether the presence of a prosecutor is negatively correlated to the levels of corruption uncovered by the CGU, comparing only audited municipal accounts that were executed with a prosecutor recently deployed in the municipality (3 years or less before the audited accounts) to accounts executed before the deployment of a prosecutor (within 3 years after the accounts).⁶⁴

Table 3: Effect of Prosecutor Presence on Corruption

Measure of corruption $ ightarrow$	Count		Log(co	unt+1)	$1(count{\geq}3Q)$		
Prosecutor present	-1.635 (1.687)	-4.250 (3.452)	-0.508 (0.351)	-0.866 (0.705)	-0.349* (0.172)	-0.500 [°]	
Municipality fixed effects	(1.007)	(3.432)	(0.331)	(0.705)	(0.172)	(0.269)	
Mean outcome under control	4.5	4.5	1.331	1.331	0.7	0.7	
Observations	47	47	47	47	47	47	
R^2	0.017	0.887	0.047	0.744	0.083	0.594	

p<0.10; *p<0.05; **p<0.01. HC2 standard errors in brackets. The unit of analysis is municipal yearly accounts subject to federal audits. The independent variable is an indicator for whether a prosecutor was present during the year of the audited accounts. The dependent variables are all a function of the number of serious irregularities ($falhas\ graves$) or acts of corruption uncovered by the federal auditors deployed by the CGU: the first two columns use the raw count; the next two the log (after adding 1 to retain observations where the count is zero); and the last two an indicator for whether that count is at or above the third quartile (3 acts of corruption). These regressions exclude observations where the arrival of a prosecutor to the municipality happened more than 3 years before or after the year of the audited accounts.

The results, shown in Table 3, suggest that prosecutor presence does reduce corruption as measured by federal auditors. To make these regression estimates plausibly causal, I compare only municipalities that were audited and where a prosecutor was deployed within a 3-year window around the year of the audited accounts, limiting the sample to a few dozen observations. Results are nonetheless similar when using smaller or larger temporal windows (Appendix M). While these tests are likely underpowered, the estimated coefficients are all negative and large, and more so

⁶⁴As shown in Appendix G, federal audits do not have an effect on the arrival of a prosecutor, even when they uncover high levels of corruption.

when including municipality fixed effects (and thus performing within-municipality comparisons of yearly accounts executed after versus before the arrival of a prosecutor). Focusing on the last model in Table 3, the presence of a prosecutor reduces in 1.04 standard deviations the probability that the audits will find a high number of serious irregularities (p < 0.1).

5.4 Additional Evidence on Mechanisms from a Survey of Politicians

Observational results from an online survey of local politicians provide additional evidence about the impacts of prosecutorial presence, consistent with the mechanisms outlined in Section 2.1. In particular, politicians in municipalities with prosecutorial presence report more meetings with prosecutors and are more likely to believe the prosecutor's office knows the local reality.

I did the survey in early 2019 in partnership with the audit court of the state of Rio Grande do Norte. The survey's primary purpose was to measure intermediate outcomes of a field experiment that randomized an information treatment sent by the state audit court (Toral, 2019), but I also included some questions about the state prosecutor's office. The survey was sent by the court to the mayor and secretaries of education, healthcare, social assistance, finance, and administration of all 167 municipalities in the state. 455 politicians from 142 municipalities completed the survey (including 50 mayors and 405 secretaries), for a response rate of 45% – a high value for a survey of elites. 65

Correlational analyses reported in Table 4 suggest that politicians in municipalities where a prosecutor was present 66 were 25.7 percentage points more likely to report having held a meeting with a prosecutor in the previous three months (p < 0.001). This difference is equivalent to about half of a standard deviation. Politicians in municipalities where a prosecutor was present were 9.1 percentage points more likely to agree with the statement "the prosecutor's office knows the reality of this municipality" (p < 0.05), a difference of roughly a quarter of a standard deviation. On the other hand, there is no statistically significant difference in respondents' agreement about the statements "the prosecutor's office detects the management irregularities that take place in this municipality" or "I trust the prosecutor's office."

 $^{^{65}}$ Appendix N has a link to the survey instrument, details on respondent recruitment and non-response, and descriptive statistics.

⁶⁶I measure prosecutorial presence using payroll files from December 2018, gathered from the transparency portal of the prosecutor's office of Rio Grande do Norte.

⁶⁷Results are similar when using the continuous rather than binary measures of the outcome, when

Table 4: Correlation between Prosecutorial Presence and Politician Survey Responses

	Met with a prosecutor in the past 3 months	"The MP knows this municipality"	ent with statement: "The MP detects irregularities here"	"I trust the MP"
Prosecutor present	0.257***	0.091*	-0.044	-0.056
	(0.056)	(0.042)	(0.053)	(0.049)
Constant	0.337***	0.765***	0.613***	0.801***
	(0.034)	(0.027)	(0.031)	(0.026)
Observations	450	455	455	455
R^2	0.060	0.011	0.002	0.004

^{*}p<0.05; **p<0.01; ***p<0.001. Municipality-clustered standard errors in brackets. The dependent variables are indicators for whether respondents report having met at least once with a prosecutor over the previous 3 months, and whether their level of agreement is at or above the median for the following statements: "The prosecutor's office knows the reality of this municipality", "The prosecutor's office detects the management irregularities that take place in this municipality", and "I trust the prosecutor's office."

These results suggest that presence increases contact between prosecutors and politicians. This may help prosecutors collect richer information about potential malfeasance and mismanagement, and induce accountability pressures on local government officials. The fact that politicians in municipalities with a prosecutor are not more likely to report that the prosecutor's office detects local irregularities, or that they trust the prosecutor's office, is consistent with the uneasy feelings about the prosecutor's office that local politicians often report in interviews. A former municipal secretary of administration in the state of Rio Grande do Norte said: "the prosecutor's office thinks it's almighty and wants to meddle in everything; they should run for election." ⁶⁸

6 Conclusion

Empowering independent prosecutor's offices has recently emerged as a promising avenue of anticorruption reform, yet evidence about the effectiveness of prosecutors in fighting corruption (and its mechanisms) is rare, particularly outside the United States. This paper contributes to filling this gap by articulating a theory of how independent prosecutors can use their unique discretion and autonomy (unparalleled to that of any other accountability actor) to fight corruption, and why

controlling for municipality population, or when excluding municipalities with more than one prosecutor, although only the coefficient for meetings retains statistical significance (Appendix N.3).

⁶⁸Former municipal secretary of administration interviewed in Rio Grande do Norte in June of 2018.

physical proximity to the communities they monitor makes that task easier.

Estimates from an imputation-based causal event study design demonstrate that prosecutor presence leads to an increase in anti-corruption actions targeted at the local government. These effects are significant, both statistically and substantively, and include increases in investigations, recommendations, and extra-judicial agreements. The design also shows that local government officials respond to prosecutor presence by adjusting their decisions on a key area of governance in this context – public employment. Estimates suggest prosecutorial presence increases the prevalence of civil service hiring, both in general and for positions of internal control. This has potential wideranging implications for politicians' ability to engage in corruption through public employment and other means. A third set of results leveraging the timing of prosecutorial arrival relative to municipal accounts subjected to federal audits, I show suggestive evidence that prosecutor presence depresses corruption in municipal finances. A final set of quantitative findings show that in municipalities where a prosecutor was present, participants in an online survey of local politicians were more likely to report having recently met with a prosecutor and believing that the prosecutor's office knew the local reality. I complement these findings with insights from in-depth interviews with prosecutors.

The paper makes three key contributions. First, it articulates a theory of prosecutors' advantages in the fight against corruption, emphasizing the role of a hitherto under-appreciated source of prosecutorial effectiveness – physical presence. Second, it provides causal evidence of the effect of prosecutorial presence on a series of relevant outcomes, including anti-corruption actions, management decisions by local officials (in particular on hiring), and corruption as measured by federal audits. More generally, this paper presents plausibly causal evidence of the effects of prosecutor's offices on anti-corruption efforts and on corruption, thus highlighting how autonomous prosecutors can make a difference on local governance. As far as I know, this is the first quasi-experimental study to present evidence on prosecutor effectiveness outside the United States, a context marked by the political selection of prosecutors.

Finally, the paper has important policy implications. First, it suggests empowering autonomous prosecutor's offices may be an effective way to deter corruption at the local level. Second, it suggests that efforts at decentralizing autonomous prosecutor's offices may lead to important gains in effectiveness. More generally, the results presented here suggest the internal organization and relational capacity of rule of law institutions may be an important complement to their independence.

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Appendices

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A Additional Details on In-Depth Interviews

In-depth interviews with local actors gave rise to the hypotheses tested in this article, but many of them were part of a larger empirical study of patronage in Brazil. Over 19 months of fieldwork in the period 2016-2023, I conduced 133 in-depth, semi-structured interviews with municipal bureaucrats and politicians, prosecutors, with other accountability actors. I recruited interviewees at their offices, and collected their oral consent after providing information about the research project and their rights as participants. I conducted interviews in Portuguese, face-to-face, and at the interviewee's office. I chose not to record interviews because some of the topics discussed were highly sensitive, including corrupt and illegal uses of public employment. While recording interviews would have allowed for more complete transcripts, it would have seriously hindered the reliability of the data and subjects' willingness to participate. Some subjects agreed to participate on the condition of anonymity or confidentiality. When quoting interviewees, I specify only their position, the state, and the month of the interview in order to safeguard their identity. In total, I interviewed 51 municipal politicians, 59 municipal bureaucrats, and 23 horizontal accountability actors. Interviews were done in 45 municipalities in 7 states across 3 different regions of Brazil. Locations were chosen to ensure diversity in political and socioeconomic variables.

Within each municipality, fieldwork focused on the center, where government offices are. I approached potential interviewees at their offices and requested an interview after introducing myself and the research project. No compensation of any sort was offered or given to participants. Most subjects I spoke to directly agreed to participate. Interviews were semi-structured, and usually started as an open conversation about the interviewee's background, the challenges they faced in their position, and their perception of public services in the municipality. As the conversation advanced, I followed up with questions about the local dynamics of public employment, including, in some cases, specific questions about the connection between political turnover, bureaucratic turnover, and public service delivery. I took handwritten notes during and after the interviews. The median duration of interviews was one hour.

⁶⁹41 of of the 59 politicians were secretaries. 46 of the 54 bureaucrats were school directors, clinic managers, and social assistance center coordinators. Of the 23 horizontal accountability actors, 15 were state prosecutors.

⁷⁰Interviews were done in the states of Ceará (43 interviews), Rio Grande do Norte (21), Paraíba (15), Pernambuco (1), Rio de Janeiro (19), Minas Geráis (10), São Paulo (3), and Goiás (12).

⁷¹Some refused, mostly arguing they did not have time. Two refused due to the research topic.

B Location and Descriptive Statistics of States in the Sample

Figure 4: States Included in the Dataset

States with data on prosecutor presence

States with data on prosecutor activity





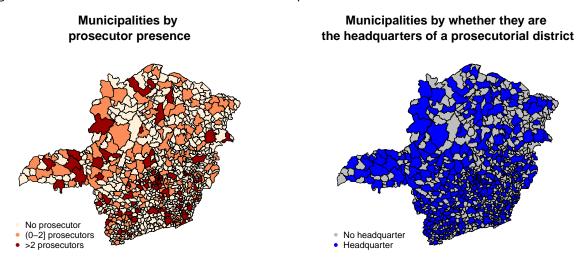
Table 5: Descriptive Statistics of the States Included in the Dataset

	SP	MG	ВА	RS	PE	GO	PI	ТО	All
Residents (in millions)	44.4	20.5	14.1	10.9	9.1	7.1	3.3	1.5	110.9
Municipalities	645	853	417	497	184	246	224	139	3,205
Prosecutorial districts	318	297	203	164	152	127	64	41	1,366
Prosecutors	2,058	1,063	586	695	443	414	161	108	5,528
Data on prosecutor presence	✓	✓	✓	√	√	√	√	√	
Data on prosecutor activity	\checkmark	\checkmark	\checkmark	\checkmark	X	X	\checkmark	X	

Population figures correspond to the 2022 census. Figures on municipalities, prosecutorial districts, and prosecutors refer to 2020. Prosecutor counts only include those active in the career. SP = São Paulo; MG = Minas Gerais, BA = Bahia, RS = Rio Grande do Sul, PE = Pernambuco, GO = Goiás, PI = Piauí, TO = Tocantins.

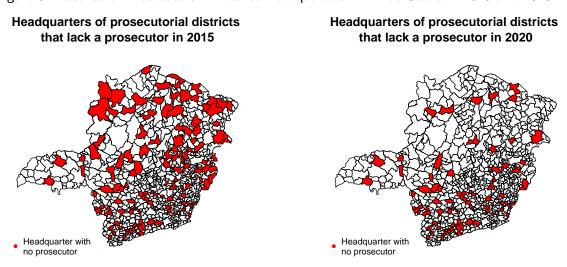
C Illustration of Treatment Variation in One State

Figure 5: Prosecutorial Presence and District Headquarters in the State of Minas Gerais in 2020



Prosecutor presence is measured with monthly payroll files. For every municipality, I count 1 prosecutor present for every 12 monthly payroll records of a prosecutor deployed to it.

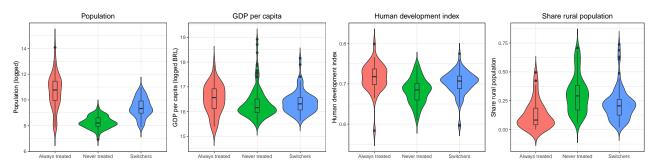
Figure 6: Absence of Prosecutors in District Headquarters in Minas Gerais in 2015 and 2020



Prosecutor presence is measured with monthly payroll files. I consider a municipality lacking a prosecutor when there are fewer than 12 monthly payroll records of a prosecutor deployed to it.

D Municipality Covariates by Treatment Group

Figure 7: Distribution of Municipal Characteristics by Treatment Group



Distributions in red, green and blue correspond to always-treated, never-treated, and switcher municipalities, respectively. Covariates are from the Human Development Atlas published by UNDP, and correspond to 2010.

E Treatment Histories in the Sample

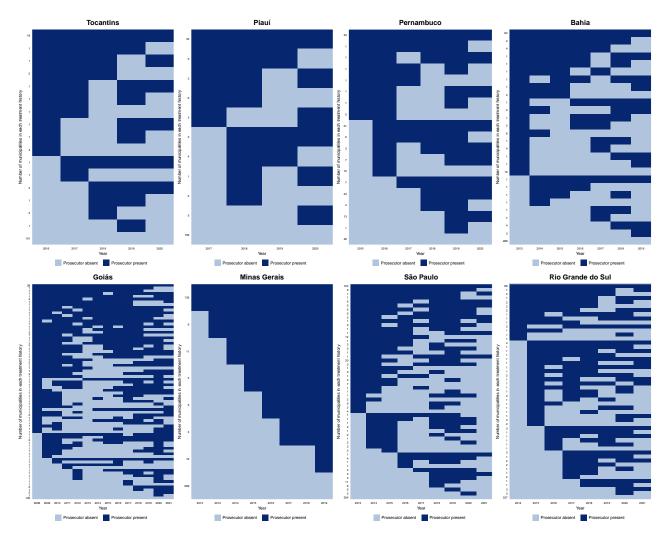
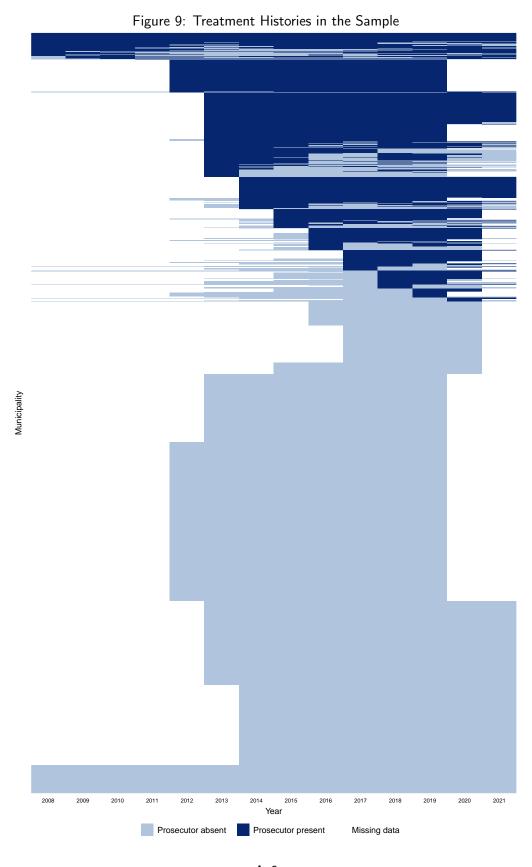


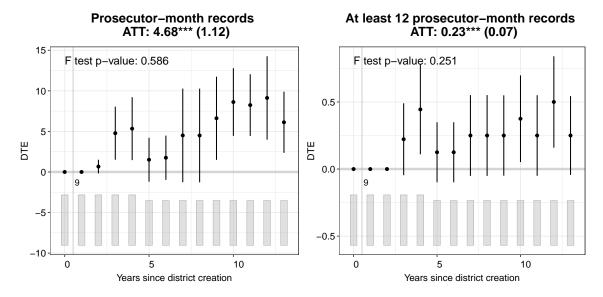
Figure 8: Treatment Status Changes across the 8 States in the Sample

Each row in each subplot corresponds to a unique treatment history in that state, which, in turn, often corresponds to multiple municipalities. Darker (lighter) cells correspond to treated (untreated) observations, i.e., municipalities where a prosecutor is (not) present. The individual treatment histories of all municipalities in the sample are visualized in Appendix E.



F Effect of Prosecutorial District Creation on Prosecutor Presence

Figure 10: Dynamic and Average Treatment Effect Estimates of Prosecutorial District Creation on Prosecutor Presence

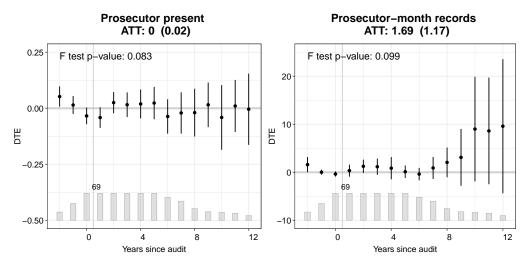


Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year a municipality became the headquarter of a prosecutorial district) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots. The F test p-value reported in the upper left corner of each plot corresponds to the test of no pre-trend.

G Effect of Federal Anti-Corruption Audits on Prosecutor Presence

Brazil's federal comptroller's office (CGU, Controladoria-Geral da União) performed randomized anti-corruption audits of municipal governments between 2008 and 2015.⁷² The CGU releases the results of the audits to the media and to other accountability actors like the federal prosecutor's office, the audit court, and the police, as well as to the municipal legislative chamber. These randomized audits, which are performed by highly professionalized federal bureaucrats, have been found to decrease corruption and increase the chances that mayors will be prosecuted for corruption charges (Avis et al., 2018).

Figure 11: Dynamic and Average Treatment Effects of Federal Anti-Corruption Audits on Prosecutor Presence



Each subplot presents the estimated dynamic treatment effects (DTE) for audited municipalities in each period (indexed relative to the year of the audit) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the audit period are omitted from the subplots. The F test p-value reported in the upper left corner of each plot corresponds to the test of no pre-trend.

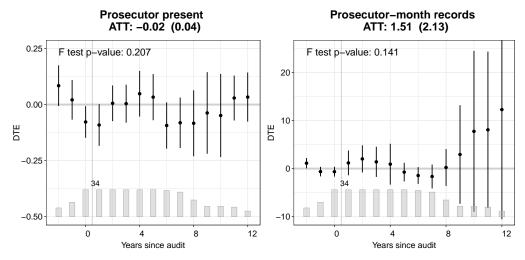
Figure 11 shows that federal anti-corruption audits, which can be understood as an exogenous revelation of the municipality's level of corruption, have no effect over the deployment of state prosecutors. This is true regardless of whether the audit uncovers low or high levels of corruption (Figures 12 and 13).⁷³ While few observations in my sample are exposed to an audit and therefore

 $^{^{72}}$ Since 2015, some audits are targeted to municipalities with higher corruption risks – audits since that date are therefore excluded from these analyses.

⁷³I follow the standard approach in the literature and measure corruption findings by counting "serious

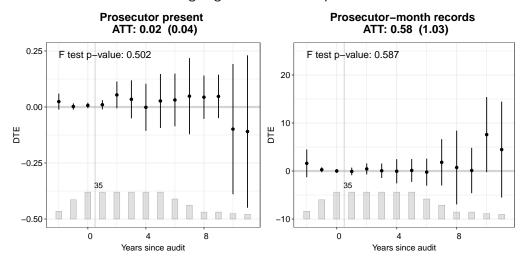
these tests may be underpowered, the estimated ATTs are all close to zero.

Figure 12: Dynamic and Average Treatment Effects of Federal Anti-Corruption Audits on Prosecutor Presence – Conditional on Audits Finding Low Levels of Corruption



See notes under Figure 11.

Figure 13: Dynamic and Average Treatment Effects of Federal Anti-Corruption Audits on Prosecutor Presence – Conditional on Audits Finding High Levels of Corruption

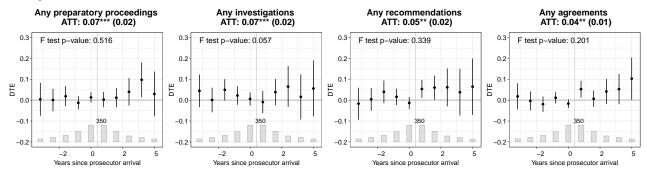


See notes under Figure 11.

faults" (Avis et al., 2018), and classify municipalities as low (high) corruption if that number is below (at or above) the median.

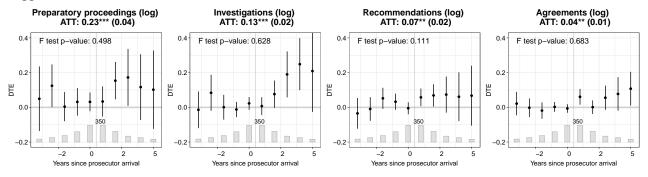
H Alternative Specifications of Outcomes

Figure 14: Dynamic and Average Treatment Effects of Prosecutor Presence on Anti-Corruption Action: Binary Outcomes



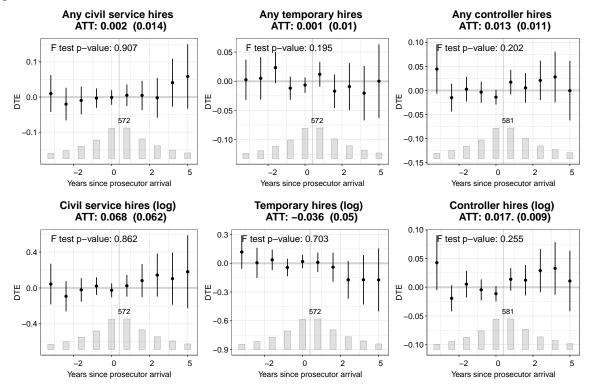
Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots. The F test p-value reported in the upper left corner of each plot corresponds to the test of no pre-trend.

Figure 15: Dynamic and Average Treatment Effects of Prosecutor Presence on Anti-Corruption Action: Logged Outcomes



Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots. The F test p-value reported in the upper left corner of each plot corresponds to the test of no pre-trend.

Figure 16: Dynamic and Average Treatment Effects of Prosecutor Presence on New Hires: Binary and Logged Outcomes

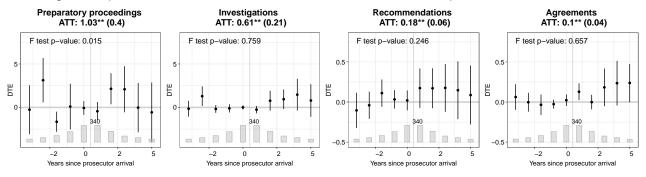


Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots. The F test p-value reported in the upper left corner of each plot corresponds to the test of no pre-trend.

I Results Excluding Municipalities that Are Not District Headquarters

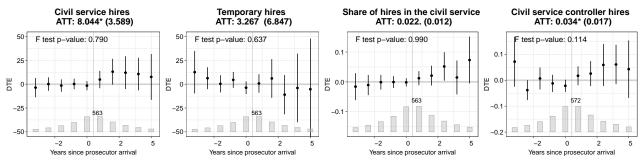
This Appendix shows results excluding municipalities that as of 2020 did not hold a prosecutorial district headquarter. Those are municipalities that would be very unlikely to have a prosecutor present.

Figure 17: Dynamic and Average Treatment Effects of Prosecutor Presence on Anti-Corruption Action – Excluding Municipalities that Did Not Hold a Prosecutorial District Headquarter in 2020



Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots. The F test p-value reported in the upper left corner of each plot corresponds to the test of no pre-trend.

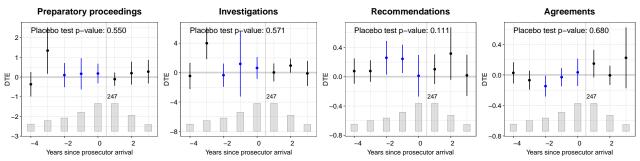
Figure 18: Dynamic and Average Treatment Effects of Prosecutor Presence on New Hires – Excluding Municipalities that Did Not Hold a Prosecutorial District Headquarter in 2020



Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots. The *F* test *p*-value reported in the upper left corner of each plot corresponds to the test of no pre-trend.

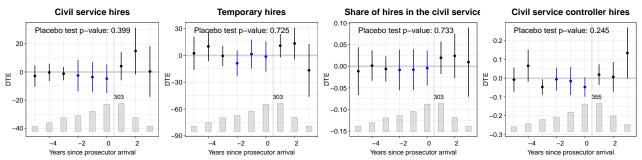
J Placebo Tests

Figure 19: Placebo Tests for the Effect of Prosecutor Presence on Anti-Corruption Actions



Bars and confidence intervals in blue (2, 3 and 1 years before actual prosecutor arrival) correspond to placebo tests. Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots.

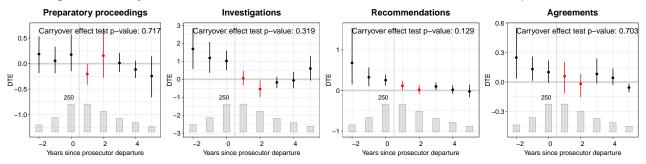
Figure 20: Placebo Tests for the Effect of Prosecutor Presence on Municipal Employment



Bars and confidence intervals in blue (2, 3 and 1 years before actual prosecutor arrival) correspond to placebo tests. Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots.

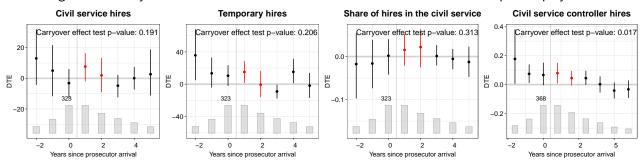
K Carryover Tests

Figure 21: Carryover Tests for the Effect of Prosecutor Presence on Anti-Corruption Actions



Bars and confidence intervals in red (1 and 2 years after actual prosecutor departure from a treated municipality) correspond to carryover tests. Observations are indexed relative to the time of actual prosecutor departure. Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor departure) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots.

Figure 22: Carryover Tests for the Effect of Prosecutor Presence on Municipal Employment



Bars and confidence intervals in red (1 and 2 years after actual prosecutor departure from a treated municipality) correspond to carryover tests. Observations are indexed relative to the time of actual prosecutor departure. Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor departure) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated units in each period. Periods where the number of treated observations is less than 15% of the number of observations at the period of prosecutor arrival are omitted from the subplots.

L Heterogeneity of Treatment Effects across Time

Figure 23: Heterogeneity across Time of Dynamic and Average Treatment Effects of Prosecutor Presence on Anti-Corruption Action

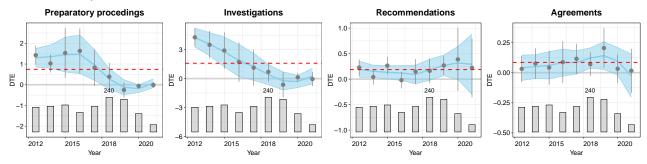
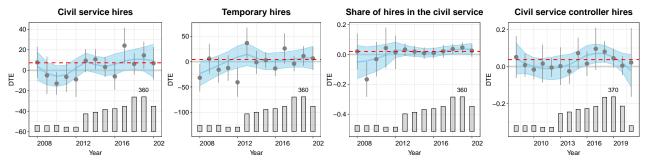


Figure 24: Heterogeneity across Time of Dynamic and Average Treatment Effects of Prosecutor Presence on Municipal Public Employment



M Alternative Samples for the Analysis of the Effects of Prosecutorial Presence on Corruption

Table 6: Effect of Prosecutorial Presence on Corruption – Including Observations Where a Prosecutor Arrives 5 Years Before or After the Municipal Accounts Being Audited

Measure of corruption $ ightarrow$	Count		Log(count+1)		1(count≥3Q)	
Prosecutor present	-1.115	-3.041	-0.358	-0.566	-0.311*	-0.388
	(1.479)	(2.651)	(0.327)	(0.567)	(0.161)	(0.240)
Municipality fixed effects	(=:::0)	(<u>−</u>	(0.02.)	(o.oo.) ✓	(0.202)	(o.=.o) ✓
Mean outcome under control	4.091	4.091	1.21	1.21	0.636	0.636
Observations	94	94	94	94	94	94
R ²	0.005	0.829	0.015	0.644	0.043	0.519

*p<0.10; **p<0.05; ***p<0.01. HC2 standard errors in brackets. The unit of analysis is municipal yearly accounts subject to federal audits. The key independent variable is an indicator for whether a prosecutor was deployed to the municipality during the year of the audited accounts. The dependent variables are all a function of the number of serious faults (*falhas graves*) or acts of corruption uncovered by the federal auditors deployed by the CGU: the first two columns use the raw count; the next two the log (after adding 1 to retain observations where the count is zero); and the last two an indicator for whether that count is at or above the third quartile (3 acts of corruption). These regressions exclude observations where the arrival of a prosecutor to the municipality happened more than 5 years before or after the year of the audited accounts.

Table 7: Effect of Prosecutorial Presence on Corruption – Including Observations Where a Prosecutor Arrives 10 Years Before or After the Municipal Accounts Being Audited

Measure of corruption $ ightarrow$	Count		Log(count+1)		$\mathbb{1}(count{\geq}3Q)$	
Prosecutor present	-1.237	-2.364	-0.415	-0.416	-0.333**	-0.402*
	(1.406)	(2.078)	(0.315)	(0.450)	(0.155)	(0.208)
Municipality fixed effects		\checkmark		\checkmark		\checkmark
Mean outcome under control	4.091	4.091	1.21	1.21	0.636	0.636
Observations	258	258	258	258	258	258
R^2	0.002	0.476	0.008	0.414	0.021	0.401

^{*}p<0.10; **p<0.05; ***p<0.01. These regressions exclude observations where the arrival of a prosecutor to the municipality happened more than 10 years before or after the year of the audited accounts. See notes under Table 6.

Table 8: Effect of Prosecutorial Presence on Corruption – Including Observations Where a Prosecutor Arrives 2 Years Before or After the Municipal Accounts Being Audited

Measure of corruption $ ightarrow$	Count		Log(count+1)		1(count≥3Q)	
Prosecutor present	-1.685	-5.667	-0.594	-1.155	-0.359*	-0.667*
	(2.169)	(4.429)	(0.413)	(0.888)	(0.194)	(0.345)
Municipality fixed effects		✓		✓		✓
Mean outcome under control	5.25	5.25	1.49	1.49	0.75	0.75
Observations	31	31	31	31	31	31
R^2	0.015	0.907	0.064	0.773	0.099	0.602

^{*}p<0.10; **p<0.05; ***p<0.01. These regressions exclude observations where the arrival of a prosecutor to the municipality happened more than 2 years before or after the year of the audited accounts. See notes under Table 6.

N Additional Details on the Politician Survey

The survey instrument (in English and Portuguese) is available here.

N.1 Respondent Recruitment and Non-Response

Table 9: Correlates of the number of responses per municipality

	Respondents (log)	No respondents (dummy)	Respondents (log) w/o zeroes
Population (logged)	0.042 (0.056)	-0.008 (0.032)	0.040 (0.042)
GDP per capita (logged)	-0.209(0.127)	0.118(0.085)	-0.071(0.117)
Deaths per thousand	$0.036\ (0.037)$	-0.027(0.019)	-0.003(0.033)
Mayor was reelected in 2016	0.260 (0.114)*	-0.137 (0.046)**	0.072 (0.100)
Constant	2.466 (1.207)*	$-0.652 \ (0.762)$	1.710 (1.035)
R-squared	0.049	0.063	0.009
Observations	167	167	142

^{***} p < 0.001; ** p < 0.01; * p < 0.05. HC1 standard errors in brackets.

The state audit court of Rio Grande do Norte sent the survey to all mayors and to secretaries of five key areas (education, healthcare, social assistance, finance, and human resources) in the state's 167 municipalities through its online platform. Participation was voluntary. A total of 455 politicians participated and finished the survey, of which 50 were mayors and 405 secretaries. These respondents came from 142 municipalities. Municipalities where mayors were in their second term were more likely to participate but, conditional on some politicians responding, there are no statistically significant associations between a municipality's number of respondents and its basic political and socioeconomic characteristics, as shown in Table 9. Participants were recruited through the court's online platform, where they received information about the research project and their rights as participants. Participants were not compensated in any form.

⁷⁴The survey was also sent to city councilors, but their responses are excluded here because the theory in this paper focuses on executive politicians. Including city councilors' responses, however, does not alter the results.

N.2 Descriptive Statistics

Table 10: Descriptive Statistics for the Survey of Politicians, by Position

	All (N=455)		Mayors (N=50)		Secretaries (N=405)	
	Mean	SD	Mean	SD	Mean	SD
Age	42.620	10.611	48.680	11.092	41.872	10.320
Female	0.569	0.496	0.220	0.418	0.612	0.488
High school degree or less	0.099	0.299	0.320	0.471	0.072	0.258
College degree or more	0.789	0.408	0.580	0.499	0.815	0.389
Party member	0.516	0.500	0.980	0.141	0.459	0.499
Experience as bureaucrat (years)	0.721	0.449	0.380	0.490	0.763	0.426
Experience as politician (years)	4.607	4.881	7.260	6.901	4.279	4.474

N.3 Alternative Specifications

As shown in Table 11, results are similar when using the continuous measures of the outcome, although the correlation for the question on the MP knowing the municipality is not statistically significant (p=0.102). Results are similar when excluding municipalities where more than one prosecutor was present in January of 2019 (Table 12). These correspond to large prosecutorial districts, which are unlikely to be vacant. When comparing only municipalities with one or zero prosecutors present, we still see a significant correlation between prosecutorial presence and meetings (p<0.05) and a positive yet insignificant correlation with the statement about the prosecutor's office knowing the reality of the municipality (p=0.233). Finally, as shown in Table 13, results are similar when controlling for municipal population, a key correlate of prosecutorial presence, although the results for the question on knowledge is marginally insignificant (p=0.056).

Table 11: Correlation between Prosecutorial Presence and Politician Survey Responses – Continuous Outcomes

	Meetings with a prosecutor in the past 3 months	"The MP knows this municipality"	ent with statement: "The MP detects irregularities here"	"I trust the MP"
Prosecutor present	0.348***	0.142	-0.039	-0.046
	(0.074)	(0.087)	(0.077)	(0.064)
Constant	0.314***	3.119***	3.497***	3.745***
	(0.034)	(0.050)	(0.045)	(0.039)
Observations	450	455	455	455
R-squared	0.084	0.006	0.001	0.001

^{*}p<0.05; **p<0.01; ***p<0.001. Municipality-clustered standard errors in brackets. The dependent variables are the logged count of self-reported meetings with a prosecutor over the previous 3 months, and the respondent's level of agreement (on a 4-point scale) with the following statements: "The prosecutor's office knows the reality of this municipality", "The prosecutor's office detects the management irregularities that take place in this municipality", and "I trust the prosecutor's office."

Table 12: Correlation between Prosecutorial Presence and Politician Survey Responses – Excluding Municipalities with more than one Prosecutor

	Met with a prosecutor in the past 3 months	"The MP knows this municipality"	ent with statement: "The MP detects irregularities here"	"I trust the MP"
Prosecutor present	0.163*	0.061	-0.047	-0.084
	(0.063)	(0.051)	(0.070)	(0.065)
Constant	0.337***	0.765***	0.613***	0.801***
	(0.034)	(0.027)	(0.031)	(0.026)
Observations	390	394	394	394
R-squared	0.020	0.004	0.002	0.007

^{*}p<0.05; **p<0.01; ***p<0.001. Municipality-clustered standard errors in brackets. The dependent variables are dummies for whether the respondent reports having met at least once with a prosecutor over the previous 3 months, and whether the respondent's level of agreement is at or above the median for the following statements: "The prosecutor's office knows the reality of this municipality", "The prosecutor's office detects the management irregularities that take place in this municipality", and "I trust the prosecutor's office."

Table 13: Correlation between Prosecutorial Presence and Politician Survey Responses – Controlling for Population

	Met with a prosecutor in the past 3 months	Agreem "The MP knows this municipality"	ent with statement: "The MP detects irregularities here"	"I trust the MP"
Prosecutor present	0.229***	0.082	-0.042	-0.070
	(0.056)	(0.043)	(0.055)	(0.051)
Constant	0.332***	0.763***	0.613***	0.799***
	(0.034)	(0.027)	(0.031)	(0.026)
Observations	450	455	455	455
R-squared	0.071	0.013	0.002	0.008

^{*}p<0.05; **p<0.01; ***p<0.001. Municipality-clustered standard errors in brackets. The dependent variables are dummies for whether the respondent reports having met at least once with a prosecutor over the previous 3 months, and whether the respondent's level of agreement is at or above the median for the following statements: "The prosecutor's office knows the reality of this municipality", "The prosecutor's office detects the management irregularities that take place in this municipality", and "I trust the prosecutor's office."