Street-Level Rule of Law: Prosecutor Presence and the Fight against Corruption*

Guillermo Toral[†]

February 21, 2025

Latest version here

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 presence in the communities they monitor because it helps them obtain information, exert formal and informal pressures, and instill in politicians a sense of being monitored. 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 show that federal auditors find lower levels of corruption in municipalities where a prosecutor was recently deployed compared to those where a prosecutor would be deployed soon thereafter. I combine these quasi-experimental findings with insights from a survey of politicians and in-depth interviews with prosecutors. Together, the results demonstrate that physical presence can make prosecutors more effective at fighting corruption, and provide rare causal evidence of the impact of autonomous prosecutors on governance.

^{*}For useful comments I thank Rogério Arantes, David Bernstein, Salo Coslovsky, Elias Dinas, Germán Feierherd, Anderson Frey, Benny Geys, Daniel Hidalgo, Kaylyn Jackson Schiff, Galileu Kim, Luis Martinez, Elizabeth Mitchell Elder, and Henrik Sigstad; and seminar participants at LSE, PUC Chile, University of Bergen, BI Norwegian Business School, ETH Zürich, Aix-Marseille School of Economics, the World Bank, USP, CAF, MIT, IE, the Latin American Political Methodology Meeting, the IE-Rochester Workshop in Political Economy, and the Latin American Studies Association Congress. Patrick Ribeiro Maia, Yasmim Marques de Melo, Jaedson Gomes dos Santos, and Pedro Vicente de Castro provided excellent research assistance. I also thank the State Audit Court of Rio Grande do Norte, and in particular Gilberto Jales, Anne Carvalho, Victor Fernandes, Marcelo Araújo, and Ilueny Santos, for making the survey of politicians possible. This project benefitted from funding by the Governance and Local Development Institute at the University of Gothenburg, Vanderbilt University, MIT GOV/LAB, and the Lemann Foundation. The survey and the interviews were approved by MIT's Committee on the Use of Humans as Experimental Subjects (protocols 170593389, 1806407144, and 1810539206), Vanderbilt's Institutional Review Board (protocol 202449), and IE's Research Committee (protocol W02-02). Any errors are my own.

[†]Assistant Professor of Political Science at IE University: guillermo.toral@ie.edu.

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, with two major exceptions. First, there is a literature on prosecutors' anti-corruption work in the United States showing political biases in their work, in line with their political selection (Gordon, 2009; Nyhan and Rehavi, 2018; Davis and White, 2021; Alt and Lassen, 2012). Second, scholars have examined anti-corruption campaigns in Latin America, and in particular the successes and limitations of a small number of prosecutors in extraordinarily high-level cases (González-Ocantos et al., 2023; Da Ros and Taylor, 2022; Lagunes and Svejnar, 2020). Despite the richness of these two literatures, we have little evidence on the behavior and impacts of rank-and-file prosecutors in the everyday fight against corruption and in the absence of political control.

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 courts – this makes it hard to trace hypothesized causal chains and test observable implications of arguments about prosecutors' role in the fight against corruption.

This paper contributes to filling this gap. I start by theorizing what enables strong and autonomous prosecutors to fight corruption, highlighting their discretion in who to prosecute and how, their reliance on a wide range of tools (including informal pressures and extra-judicial bargains and agreements), and the fact that 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, in contexts where prosecutors are autonomous from politicians, their effectiveness benefits from physical presence in the communities they monitor, something previous research has overlooked. Physical presence aids effectiveness because 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 (2024) show that Brazilian municipalities which host the judiciary district headquarter have lower levels of corruption. Other studies have found positive effects of presence on bureaucratic effectiveness (Bozcaga, 2020) or tax collection (Balan et al., 2022), although scholars have also documented how social embeddedness can undermine bureaucratic capacity (Xu et al., 2023; Soifer, 2015). In contrast to these previous studies, this paper focuses on the physical presence of one type of agent 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 have high levels of capacity and autonomy, especially when compared to other countries in the Global South (Gutmann and Voigt, 2019). 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 17 states (covering 91% of Brazil's municipalities and 89% of its population), and time periods between 2006 and 2024. I complement that data with detailed administrative data on municipal employment and federal audit data on corruption in municipal finances.

There are three main advantages to this research design. First, using fine grained administrative data allows me to trace both immediate outputs of prosecutorial pressure and relevant outcomes in 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 everyday anti-corruption efforts work 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 in a key area in this setting: public employment. In particular, I show that prosecutor presence leads to more hiring in the civil service, as opposed to temporary hiring. Civil servants' selection and careers are more protected from political influence, and the prevalence of the civil service is often associated with better government performance and reduced corruption (Charron et al., 2017; Aneja and Xu, 2024). In contrast, bureaucrats whose contracts are controlled by politicians are more easily amenable to rent seeking and corruption (Brierley, 2020).

I then examine the effect of prosecutorial presence on corruption by comparing the number of serious irregularities uncovered by federal auditors in municipalities that have a prosecutor to what they find in municipalities that lack one. I also compare what they find in municipalities where a prosecutor arrived immediately before versus immediately after the audit. These quasi-experimental designs suggest that prosecutor presence leads to lower levels of corruption in municipal finances.

I also provide suggestive observational evidence on mechanisms from a survey of politicians I did in one Brazilian state. In localities where a prosecutor was present at the time, politicians were more likely to declare meeting with the prosecutor and believing that the prosecutor's office knew the local reality. I complement these quantitative estimates with insights from in-depth qualitative interviews of prosecutors, politicians, and bureaucrats conducted between 2016 and 2023.¹

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 presence in the communities they monitor. This is an under-appreciated 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 presence may act as complements to those more fundamental factors. Moreover, by leveraging variation across districts rather than across prosecutor agencies or countries, this research design contributes causal evidence

¹I 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.

on the impact of prosecutor's offices and insights that can guide policies about the recruitment and deployment of prosecutors and other anti-corruption actors.

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 presence: 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 their 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 and discretion, unparalleled to other accountability actors, as often noted by legal scholars (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 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 prosecutors are either politically selected or appointed, 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 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 presence 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 presence 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.

3 Institutional Setting

I focus on state prosecutors in Brazil, a large federal democracy where prosecutors have high levels of capacity, autonomy, 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.

3.1 State Prosecutor's Offices

State prosecutor's offices (*Ministério Público dos Estados*, MP) are in charge of prosecuting most crime and corruption charges in Brazil.² This stems from their constitutional mandate to protect "diffuse rights", i.e., public goods 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, 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 framework 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*). 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 legally expected to live in the district to which they are deployed, and they typically do. Yet not all prosecutorial

²The exception is cases of crime and corruption in the use of federal transfers, which are dealt with by the federal prosecutor's office (*Ministério Público Federal*).

district headquarters have a prosecutor deployed to them, given limited human resources. The design I exploit in this paper leverages variation across municipalities and years in the presence of prosecutors in the headquarters of small districts (see illustrative maps in Appendix D).

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 twoyear 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 very high salaries.³ 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.⁴ Sixth, the chiefs of state prosecutor's offices (so-called *Procuradores-Gerais de Justiça*) are selected by the state governor from a list of three prosecutors resulting from an 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).More details about the institutional design of Brazilian prosecutor's offices are included in Appendix B.

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).

³For 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). ⁴Consistent 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.

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.Municipal employees enjoy a wage premium relative to the private sector (Colonnelli et al., 2020, 3090), similarly to other developing contexts (Finan et al., 2017). Employment opportunities in the typical municipality, which is small and relatively poor, are scarce. 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, which have tenure for life after a short probationary period. Approximately a third of municipal employees are hired on temporary contracts, which can legally be used to hire political appointees for management or leadership positions, or to fill short-term or urgent staffing needs. In practice, temporary hiring is often used where the civil service should prevail, often as a vehicle for political appointments (Colonnelli et al., 2020; Toral, 2023).

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 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.⁵

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. 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.⁶

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. 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),⁷ I identify the causal effect of a

⁵State prosecutor interviewed in the state of São Paulo in September of 2018.

⁶Prosecutor interviewed in Rio Grande do Norte in June 2018.

⁷Other 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 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

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

4.1 Identification

Several factors drive variation in prosecutorial presence. First, municipalities that do not hold the headquarter of a prosecutorial district do not have prosecutors deployed to them. I therefore focus on examining variation across prosecutorial district headquarters, where the prosecutor's offices typically have physical and human infrastructure (a building and support staff) but not always a prosecutor.⁸ Second, 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.⁹ Third, the prosecutorial districts that go from untreated to treated or vice versa are typically 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).

The Liu et al. (2024) imputation-based estimator of treatment effects is unbiased and consistent under a strict exogeneity assumption. This assumption, which implies the parallel trends assumption, involves the absence of time-varying confounders, anticipation effects, and carryover effects. Assuming spherical errors, the imputation method is also the most efficient among all linear and unbiased estimators (Borusyak et al., 2024).

Five substantive reasons make the strict exogeneity assumption reasonable in this setting. 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

developed in parallel by Borusyak et al. (2024).

⁹Appendix B has a plot of the number of prosecutors by state and year.

⁸In the states for which I have historical district data there is few instances of changes in district headquarters. I take the indicator of whether a municipality was a district headquarter in 2020 to determine municipalities that could have a prosecutor present. Results are similar when using all municipalities without this restriction.

deployments are not announced *ex ante*. Fourth, the boundaries of prosecutorial districts are largely constant across time, 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, even when they uncover 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 since that is the level at which treatment is assigned (Abadie et al., 2023).

4.3 Data

To analyze the impacts of prosecutor presence, I built panel of municipality-year observations, leveraging administrative data from state prosecutor's offices and from the federal government. The panel is unbalanced because the data published by each state prosecutor's office has different time coverage (between 2006 and 2024).

To obtain data on prosecutors' presence and activity, I scraped the transparency portals of state prosecutor's offices. I use data for 17 states across all of Brazil's five regions which, together, cover 91% of Brazil's municipalities and 89% of its population (details in Appendix C). 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.¹⁰ In total, I have prosecutor presence data for about 50,000 municipality-year observations, of which about 23,000 correspond to municipalities that were prosecutorial district headquarters in 2020. Of those 23,000 observations included in the effective sample, 65% have a prosecutor present and 38% correspond to municipalities that are always treated. Treatment histories are visualized in Appendix F.

Treatment effect estimates are driven by municipalities that switch from not having a prosecutor to having a prosecutor present.¹¹ 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 E. 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.

To measure the effect of prosecutor presence on anti-corruption actions, I use scraped data for five states in the sample in which 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 established by municipality and year, excluding all those not related to mismanagement or corruption.¹²

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. 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. Both preparatory proceedings and formal investigations can be established at the discretion of the prosecutor, unprovoked or after a request from an affected party. Recommendations (*recomendações*), which can be issued in the context of preparatory proceedings

¹⁰I use the 12-month threshold because it marks that the municipality has the equivalent of a full-time prosecutor dedicated to it. The distribution of the number of prosecutor-month records in a municipality is bunched at 0 and then at values multiple of 12. Still, results are substantively similar when using as thresholds 6 or 9 prosecutor-month records.

¹¹Untreated observations are used to estimate the counterfactual for treated observations. Alwaystreated municipalities are disregarded by the imputation method.

¹²To 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*), administrative misconduct (*improbidade administrativa*), or administrative law (*direito administrativo*).

or civil investigations, request that a party (e.g., a mayor) do or cease to do something to ensure compliance with the law. Finally, extra-judicial agreements (*termos de ajustamento de conducta*, TACs) are negotiated and, once signed, are binding. 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.

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 hires¹³ in each municipality-year observation, by whether they have a civil service contract or a temporary one. With this data, I examine the effects of prosecutor presence on the number 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.¹⁴

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*) between 2006 and 2018. 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. Up 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.¹⁵ The CGU classifies as serious irregularities substantive rather than merely formal forms of mismanagement, including those that hurt government funds, break the law, or hinder accountability.¹⁶

¹³I 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.

¹⁴In 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.

¹⁵I use data for all audits between 2006 and 2018, but results are similar when restricting the sample to the period when audits were assigned only by lottery.

¹⁶As per the CGU, 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

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.

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 show that, on average, prosecutorial presence leads to an increase of 0.61 preparatory proceedings and 1.03 formal investigations on corruption and mismanagement by the local government (p < 0.01). These effects correspond to about 0.10 and 0.07 standard deviations of the number of preparatory proceedings and investigations in municipalities without a prosecutor.

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 0.18 and agreements increase by 0.10 on average (p < 0.01), equivalent to increases of about 0.17 and 0.13 standard deviations, respectively. These effects suggest that presence empowers not just investigations but also extra-judicial anti-corruption pressures that seek to change policy.

The dynamic treatment effect estimates in Figure 1 show that increases in anti-corruption action follow shortly after the arrival of a prosecutor and, with the exception of investigations, are

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).

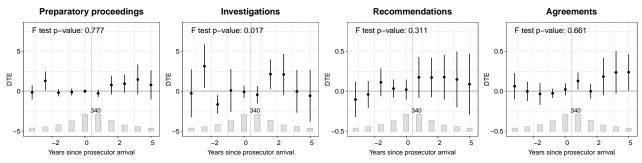
	Proceedings	Investigations	Recommendations	Agreements
ÂTT	0.611** (0.211)	1.033** (0.392)	0.177** (0.065)	0.103** (0.037)
Mean outcome under control	1.604	6.383	0.312	0.150

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

*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.

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 anti-corruption pressure fundamentally changes with prosecutor presence.

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

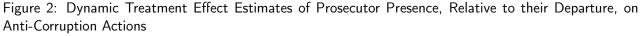


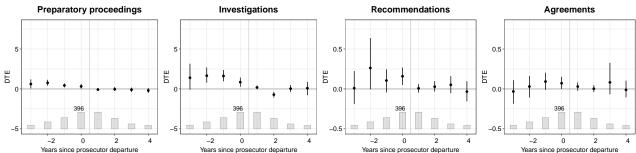
Each subplot presents the estimated dynamic treatment effects (DTE) for switcher municipalities in each period (indexed relative to the year of prosecutor arrival) as a dot, and its block-bootstrapped 95% confidence interval as a vertical line. The bar plot at the bottom represents the number of treated 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 for all outcomes except investigations, as seen in the upper left corner of the plots. Second, ATT estimates are similar (in both substantive and statistical significance) using binary or logged measures of the outcomes (Appendix H) – with the exception of the result for the binary measure of investigations which is statistically insignificant. Third, 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 I). 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 J.)

Additional evidence of the estimates in Table 1 and Figure 1 being causal comes from an examination of instances where a municipality goes from 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.





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

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 agreements. These extra-judicial agreements generate binding obligations for public officials to change management or policy decisions. These treatment effects suggest that presence makes it easier for prosecutors to detect malfeasance and highlight the role of physical presence 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."¹⁷ 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."¹⁸ When I asked

¹⁷Prosecutor interviewed in Rio Grande do Norte in June 2018.

¹⁸Prosecutor interviewed in Minas Gerais in November 2023.

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. When the CNMP regulated the constitutional 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 public employment decisions, which are a critical area of local politics governance in this context, suggest that they do.

Table 2 shows that municipalities with a prosecutor present hire, on average, more bureaucrats in the civil service and less bureaucrats on temporary contracts, although these effects are not statistically significant. When examining effects on the share of hires in the civil service, a variable bounded between 0 and 1 and where functional form is likely less important for measuring the ATT, the design uncovers a positive and marginally insignificant effect. In particular, municipalities with a prosecutor present have on average a 1.6 percentage points higher prevalence of the civil service in new hires (p = 0.08), equivalent to an increase of about 0.04 standard deviations. The presence of the prosecutor also increases the overall proportion of municipal employees in civil service contracts, likely as a result of not just hires but also dismissals and contract non-renewals of temporary contracts. In particular, municipalities with a prosecutor present have on average a proportion of civil servants that is 2.1 percentage points higher (p < 0.01). This is equivalent to an increase of 0.07 standard deviations of the distribution in municipalities with a prosecutorial district headquarter but without a prosecutor.

	Civil service hires	Temporary hires	Share hires in the civil service	Share personnel in the civil service
ÂTT	1.934 (2.875)	-1.171 (5.879)	0.016 [.] (0.009)	0.021** (0.007)
Mean outcome under control	59.183	135.738	0.324	0.662

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

p<0.10; p<0.05; p<0.05; p<0.01; p<0.01. 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 share of employees in the civil service in the municipal bureaucracy, respectively. The block-bootstrap, municipality-clustered standard errors are in brackets.

The dynamic treatment effects shown in Figure 3 suggests that the presence of the prosecutor leads to an increased preference for civil service hiring shortly after the arrival of the prosecutor. While the effects on new hires appear to plateau about 5 years after the arrival of the prosecutor, the effects on the stock of municipal employees appear to increase with time.

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. Third, the placebo and carryover effect tests are passed (Appendices I and J, respectively) – with the exception of the placebo test for the share of civil service hires and the carryover effect test for the share of personnel in the civil service. The results for binary and logged counts of civil service and temporary hires are statistically insignificant (except the one for the log of temporary hires), but all move in the same direction (Appendix H).

A potential concern is that the estimates for the effect on the share of personnel in the civil service are biased by carryover effects, since this variable refers to the stock of employees rather than the flows. However, effects on both the flow and the stock proportion of civil servants are large and significant when examining three states that experience staggered adoption without reversals. As shown in Appendix K, in those cases the arrival of a prosecutor leads to an increase of 8.1 points in the share of new hires in the civil service (p < 0.01) and of 8.2 points in the share of all employees who have civil service contracts (p < 0.001). These increases are equivalent to about 0.21 and 0.32 standard deviations of the distribution in municipalities that hold the district headquarter but lack a prosecutor. These larger treatment effect estimates in the smaller sample with staggered

adoption suggest that the positive estimates in Table 2 are not driven by treatment reversals and carryovereffects, which if anything appear to bring estimates closer to zero.

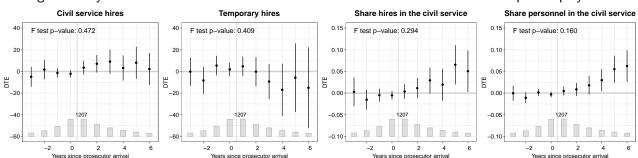


Figure 3: Dynamic Treatment Effect Estimates of Prosecutor Presence on Municipal Employment

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 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 municipal 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.¹⁹

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 on public management in the state of São Paulo, 43.5% include employment-related terms in their thematic classification.²⁰

Three reasons make the effects of prosecutorial presence on civil service hiring meaningful.

¹⁹Municipal school directors interviewed in the state of Rio de Janeiro in February of 2017.

²⁰These include terms for employee (*servidor, empregado*), temporary hiring (*temporário, cargo comis-sionado*), and civil service hires (*concursado*).

First, they imply a reduction in the 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, 2024). 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).

5.3 Effects of Prosecutor Presence on Corruption

If prosecutorial presence 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 in the timing of prosecutor arrival relative to that of federal audits conducted by the CGU. As measures of corruption I use the number of serious irregularities uncovered by CGU auditors, following Avis et al. (2018). In particular I use its log and indicators for whether the count is at least 1 or at least 3, which are the median and the third quartile of the count distribution.

In this design, I compare the level of corruption found by federal auditors in municipalities that a prosecutor in the year of the audit to that found in municipalities that while holding the headquarters of a prosecutorial district headquarter did not have a prosecutor in the year of the audit. I do so through a regression of the form $Y_{ma} = \beta D_{ma} + \varepsilon_{ma}$, where D_m is an indicator for whether municipality m had a prosecutor deployed to it in the year of audit a. With few exceptions, municipalities are only audited once in the states for which I have prosecutorial presence data.

I apply this comparison in three different samples. First, all audits that happen in municipalities that hold the headquarter of a prosecutorial district for which I have presence data. Second, given the prevalence of treatment reversals and the plausibility of carryover effects, I examine results in the subset of audits that occur in the three states with staggered adoption of treatment (see Appendix K). Finally, for a stricter comparison, I also restrict the comparison to audits that happen

1 within a short window of 2-year window before or after the arrival of a prosecutor, in municipalities with staggered adoption.²¹

The results, shown in Table 3, suggest that prosecutor presence does reduce the level of corruption uncovered by federal auditors. Regardless of what measure of corruption we look at, there is a negative and large association with the presence of a state prosecutor. Focusing on the indicator for high levels of corruption, the presence of a prosecutor reduces in 0.23 the probability that the audits find a high number of serious irregularities (p < 0.001). This is a large reduction, equivalent to 0.45 standard deviations. Results are also negative and similar in size when restricting the sample to states with staggered adoption of treatment, although only the one for high levels of corruption is statistically significant, as shown in columns 2, 4 and 6 of Table 3. When restricting the sample even further to municipalities that were audited immediately before or after the arrival of a prosecutor, the association between presence and irregularities found is even larger.

Table 3: Effect of Prosecutor Presence on the Number of Corruption Instances Uncovered by Federal Auditors

	Count (logged)		At least 1 (median)			At least 3 (third quartile)			
Prosecutor present	-0.410**	-0.405	-1.370*	-0.105 [.]	-0.167	-0.455*	-0.225***	-0.262*	-0.455*
	(0.155)	(0.248)	(0.506)	(0.057)	(0.110)	(0.157)	(0.065)	(0.127)	(0.157)
Sample	All	Staggered	Switchers	All	Staggered	Switchers	All	Staggered	Switchers
Number of observations	261	61	13	261	61	13	261	61	13

p<0.10; p<0.05; p<0.05; p<0.01. HC2 standard errors in brackets. The unit of analysis is the municipal-level audit, considering the results of the most recent yearly accounts examined by auditors (typically, those of the year of the audit). The 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 the logged number of serious irregularities (*falhas graves*) or acts of corruption uncovered by the federal auditors (after adding 1), and indicators for whether that number is at or above the median (1) or the third quartile (3) of its distribution.

While these results stem from a small sample such as to make the exogeneity of prosecutorial presence plausible, they suggest that presence has a large and negative effect on the number of irregularities uncovered by federal auditors. These audits, which are done by professional auditors deployed by the CGU, have been shown to reduce corruption (Avis et al., 2018; Ash et al., 2025), improve service delivery (Funk and Owen, 2020), and reduce child mortality (Ramos et al., 2024). The results reported here suggest that the presence of prosecutors in municipalities can meaningfully constrain corruption and thus, indirectly, could contribute to improve citizen welfare.

²¹Results are similar when restricting the sample even further to municipalities audited the year of the prosecutor's arrival or the year immediately before.

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.²²

Correlational analyses reported in Table 4 suggest that politicians in municipalities where a prosecutor was present²³ 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."²⁴

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

 $^{^{22}\}mbox{Appendix L}$ has a link to the survey instrument, details on respondent recruitment and non-response, and descriptive statistics.

²³I measure prosecutorial presence using payroll files from December 2018, gathered from the transparency portal of the prosecutor's office of Rio Grande do Norte.

²⁴Results are similar when using the continuous rather than binary measures of the outcome, when controlling for municipality population, or when excluding municipalities with more than one prosecutor, although only the coefficient for meetings retains statistical significance (Appendix L.3).

	Met with a prosecutor in the past 3 months	Agreem "The MP knows this municipality"	"I trust the MP"	
	•	. ,	irregularities here"	
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

Table 4: Correlation between Prosecutorial Presence and Politician Survey Responses

*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."

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."²⁵

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 or beyond high-level anti-corruption crusades in Latin America. 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 physical presence in 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

²⁵Former municipal secretary of administration interviewed in Rio Grande do Norte in June of 2018.

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 new hires and in the stock of municipal employees. This has potential wide-ranging 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.²⁶

²⁶This 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).

References

- Aaken, Anne Van, Eli Salzberger, and Stefan Voigt (2004). The prosecution of public figures and the separation of powers. Confusion within the executive branch - A conceptual framework. *Constitutional Political Economy* 15, 261–280.
- Abadie, Alberto, Susan Athey, Guido W Imbens, and Jeffrey M Wooldridge (2023). When should you adjust standard errors for clustering? *The Quarterly Journal of Economics* 138(1), 1–35.
- Abbink, Klaus (2004). Staff rotation as an anti-corruption policy: an experimental study. European Journal of Political Economy 20(4), 887–906.
- Akhtari, Mitra, Diana Moreira, and Laura Trucco (2022). Political turnover, bureaucratic turnover, and the quality of public services. American Economic Review 112(2), 442–93.
- Alt, James E and David Dreyer Lassen (2012). Enforcement and public corruption: Evidence from the American states. The Journal of Law, Economics, and Organization 30(2), 306–338.
- Aneja, Abhay and Guo Xu (2024). Strengthening state capacity: Civil service reform and public sector performance during the gilded age. *American Economic Review* 114(8), 2352–2387.
- Anuário da Justiça de São Paulo, (2016). Moralidade municipal. Anuário da Justiça de São Paulo, 34-36.
- Arantes, Rogério Bastos (2002). Ministério Público e política no Brasil. Sumaré.
- Ash, Elliott, Sergio Galletta, Tommaso Giommoni, et al. (2025). A machine learning approach to analyze and support anti-corruption policy. *American Economic Journal: Economic Policy (forthcoming)*.
- Avis, Eric, Claudio Ferraz, and Frederico Finan (2018). Do government audits reduce corruption? Estimating the impacts of exposing corrupt politicians. *Journal of Political Economy* 126(5), 1912–1964.
- Baker, Andrew C, David F Larcker, and Charles CY Wang (2022). How much should we trust staggered difference-in-differences estimates? *Journal of Financial Economics* 144(2), 370–395.
- Balan, Pablo, Augustin Bergeron, Gabriel Tourek, and Jonathan L Weigel (2022). Local elites as state capacity: How city chiefs use local information to increase tax compliance in the democratic republic of the Congo. American Economic Review 112(3), 762–797.
- Bento, Juliane Sant'Ana, Luciano Da Ros, and Bruno Alex Londero (2021). Condenando políticos corruptos? Análise quantitativa dos julgamentos de prefeitos municipais pelo Tribunal de Justiça do Rio Grande do Sul (1992-2016). Civitas-Revista de Ciências Sociais 20, 348–376.
- Bhavnani, Rikhil R and Alexander Lee (2018). Local embeddedness and bureaucratic performance: evidence from india. The Journal of Politics 80(1), 71–87.
- Borusyak, Kirill, Xavier Jaravel, and Jann Spiess (2024). Revisiting event-study designs: Robust and efficient estimation. *Review of Economic Studies*, rdae007.
- Boylan, Richard T and Cheryl X Long (2005). Salaries, plea rates, and the career objectives of federal prosecutors. *The Journal of Law and Economics* 48(2), 627–651.

- Bozcaga, Tugba (2020). The social bureaucrat: How social proximity among bureaucrats affects local governance. Working paper.
- Brierley, Sarah (2020). Unprincipled principals: Co-opted bureaucrats and corruption in ghana. American Journal of Political Science 64(2), 209–222.
- Callaway, Brantly and Pedro HC Sant'Anna (2021). Difference-in-differences with multiple time periods. Journal of econometrics 225(2), 200–230.
- Charron, Nicholas, Carl Dahlström, Mihaly Fazekas, and Victor Lapuente (2017). Careers, connections, and corruption risks: Investigating the impact of bureaucratic meritocracy on public procurement processes. *The Journal of Politics* 79(1), 89–104.
- CNMP, (2007). Conselho regulamenta residência na comarca. Available at https://www.cnmp.mp. br/portal/todas-as-noticias/1070-conselho-regulamenta-residencia-na-comarca (last accessed on 2/21/2025).
- Colonnelli, Emanuele, Mounu Prem, and Edoardo Teso (2020). Patronage and selection in public sector organizations. *American Economic Review 110*(10), 3071–3099.
- Coslovsky, Salo and Amit Nigam (2016). Building prosecutorial autonomy from within: The transformation of the Ministério Público in Brazil. Working paper, available at https://salocoslovsky.wordpress.com/ (last accessed on 2/21/2025).
- Coslovsky, Salo V (2011). Relational regulation in the brazilian ministério publico: The organizational basis of regulatory responsiveness. *Regulation & Governance* 5(1), 70–89.
- Cuneo, Martina, Jetson Leder-Luis, and Silvia Vannutelli (2023). Government audits. NBER working paper, available at https://www.nber.org/papers/w30975 (last accessed on 2/21/2025).
- Da Ros, Luciano and Manoel Gehrke (2024). Convicting politicians for corruption: The politics of criminal accountability. *Government and Opposition*, 1–25.
- Da Ros, Luciano and Matthew M Taylor (2022). Brazilian Politics on Trial: Corruption and Reform under Democracy. Lynne Rienner Publishers.
- Dahis, Ricardo, Laura Schiavon, and Thiago Scot (2023). Selecting top bureaucrats: Admission exams and performance in Brazil. *Review of Economics and Statistics*, 1–47.
- Davis, Angela J (2007). Arbitrary justice: The power of the American prosecutor. Oxford University Press.
- Davis, Lewis and KR White (2021). Is justice blind? Evidence from federal corruption convictions. *Public Choice 186*, 63–95.
- De Chaisemartin, Clément and Xavier d'Haultfoeuille (2020). Two-way fixed effects estimators with heterogeneous treatment effects. American Economic Review 110(9), 2964–2996.
- De La O, Ana, Pablo Alberto Fernández Vázquez, and Fernando Martel Garcia (2023). Federal and state audits do not increase compliance with a grant program to improve municipal infrastructure: A pre-registered field experiment. *Journal of Development Economics 162*, 1–20.

- Evans, Peter B (1995). *Embedded autonomy: States and industrial transformation*, Volume 25. Cambridge Univ Press.
- Fernández-Vázquez, Pablo (2018). Accountability from Within: Politically Insulated Bureaucrats and Incumbent Rent-Seeking. Working paper.
- Ferraz, Claudio and Frederico Finan (2011). Electoral accountability and corruption: Evidence from the audits of local governments. The American Economic Review 101(4), 1274–1311.
- Finan, Federico, Benjamin A Olken, and Rohini Pande (2017). The personnel economics of the developing state. *Handbook of Economic Field Experiments 2*, 467–514.
- Fionda, Julia (1995). Public prosecutors and discretion: A comparative study. Oxford University Press.
- Funk, Kendall D and Erica Owen (2020). Consequences of an anti-corruption experiment for local government performance in Brazil. *Journal of Policy Analysis and Management 39*(2), 444–468.
- González-Ocantos, Ezequiel A, Paula Muñoz Chirinos, Nara Pavão, and Viviana Baraybar Hidalgo (2023). Prosecutors, Voters and The Criminalization of Corruption in Latin America: The Case of Lava Jato. Cambridge University Press.
- Gordon, Sanford C (2009). Assessing partisan bias in federal public corruption prosecutions. *American Political Science Review*, 534–554.
- Granovetter, Mark (1985). Economic action and social structure: The problem of embeddedness. American journal of sociology 91(3), 481–510.
- Grossman, Guy and Tara Slough (2022). Government responsiveness in developing countries. Annual Review of Political Science 25(1), 131–153.
- Gutmann, Jerg and Stefan Voigt (2019). The independence of prosecutors and government accountability. Supreme Court Economic Review 27(1), 1–19.
- Imai, Kosuke, In Song Kim, and Erik H Wang (2023). Matching methods for causal inference with timeseries cross-sectional data. American Journal of Political Science 67(3), 587–605.
- Kerche, Fábio (2008). Autonomy and discretionary power of the Public Prosecutor's Office in Brazil. Dados 4(SE), 0–0.
- Lagunes, Paul F and Jan Svejnar (Eds.) (2020). Corruption and the Lava Jato Scandal in Latin America. Routledge.
- Lambais, Guilherme and Henrik Sigstad (2023). Judicial subversion: The effects of political power on court outcomes. *Journal of Public Economics 217*, 104788.
- Langer, Máximo and David Alan Sklansky (2017). *Prosecutors and democracy: A cross-national study*. Cambridge University Press.
- Litschig, Stephan and Yves Zamboni (2024). Judicial presence and rent extraction. *Economic Development* and Cultural Change 73(1), 87–126.

- Liu, Licheng, Ye Wang, and Yiqing Xu (2024). A practical guide to counterfactual estimators for causal inference with time-series cross-sectional data. *American Journal of Political Science* 68(1), 160–176.
- Mignozzetti, Umberto, Gabriel Cepaluni, and Danilo Freire (2024). Legislature Size and Welfare: Evidence from Brazil. American Journal of Political Science, EarlyView.
- Ministério da Transparência e Controladoria-Geral da União, (2018). Manual de auditoria anual de contas. Available at https://repositorio.cgu.gov.br/bitstream/1/44983/5/Manual_AAC_Mar_2018.pdf (last accessed on 2/21/2025).
- Mueller, Bernardo (2010). The fiscal imperative and the role of public prosecutors in Brazilian environmental policy. Law & Policy 32(1), 104–126.
- Nyhan, Brendan and M. Marit Rehavi (2018). Tipping the Scales? Testing for Political Influence on Public Corruption Prosecutions. Working paper.
- Olken, Benjamin A (2007). Monitoring corruption: Evidence from a field experiment in Indonesia. *Journal* of political Economy 115(2), 200–249.
- Pepinsky, Thomas B, Jan H Pierskalla, and Audrey Sacks (2017). Bureaucracy and service delivery. Annual Review of Political Science 20(1), 249–268.
- Ramos, Antonio P, Simeon Nichter, Leiwen Gao, Gustavo J Bobonis, et al. (2024). Effects of Anti-Corruption Audits on Early-Life Mortality: Evidence from Brazil. Working paper, available at https: //sites.google.com/site/simeonnichter/research (last accessed on 2/21/2025).
- Roth, Jonathan, Pedro HC Sant'Anna, Alyssa Bilinski, and John Poe (2023). What's trending in differencein-differences? A synthesis of the recent econometrics literature. *Journal of Econometrics*.
- Sklansky, David Alan (2018). The problems with prosecutors. Annual Review of Criminology 1, 451–469.
- Soifer, Hillel David (2015). State Building in Latin America. Cambridge University Press.
- Sun, Liyang and Sarah Abraham (2021). Estimating dynamic treatment effects in event studies with heterogeneous treatment effects. Journal of Econometrics 225(2), 175–199.
- Tonry, Michael (2012). Prosecutors and politics in comparative perspective. *Crime and Justice* 41(1), 1–33.
- Toral, Guillermo (2019). Information, oversight, and compliance: A field experiment on within-government accountability in Brazil. *Working paper*.
- Toral, Guillermo (2023). Can anti-corruption policies curb political budget cycles? Evidence from public employment in Brazil. Working paper, available at https://www.guillermotoral.com (last accessed on 5/28/2024).
- Toral, Guillermo (2024a). How patronage delivers: Political appointments, bureaucratic accountability, and service delivery in Brazil. American Journal of Political Science 68(2), 797–815.

- Toral, Guillermo (2024b). Turnover: How lame-duck governments disrupt the bureaucracy and service delivery before leaving office. *The Journal of Politics 86*(4), 000–000.
- Tsai, Lily L (2007). Accountability without democracy: Solidary groups and public goods provision in rural China. Cambridge University Press.
- Van Aaken, Anne, Lars P Feld, and Stefan Voigt (2010). Do independent prosecutors deter political corruption? An empirical evaluation across seventy-eight countries. *American law and economics review 12*(1), 204–244.
- Vannutelli, Silvia (2024). From Lapdogs to Watchdogs: Random Auditor Assignment and Municipal Fiscal Performance. Working paper, available at https://sites.google.com/view/silviavannutelli/ (last accessed on 2/21/2025).
- Vilaça, Luiz (2023). Communication and Decision-Making Processes: Group-level Determinants of State Performance. *Social Problems*, spad002.
- Vilaça, Luiz (2024). Framing and prosecutorial discretion: Evidence from Brazil. Law & Society Review, 1–29.
- Wright, Ronald F and Marc L Miller (2010). The worldwide accountability deficit for prosecutors. Washington & Lee's Law Review 67, 1587.
- Xu, Guo, Marianne Bertrand, and Robin Burgess (2018). Social proximity and bureaucrat performance: Evidence from india. Technical report, National Bureau of Economic Research.
- Xu, Guo, Marianne Bertrand, and Robin Burgess (2023). Organization of the state: Home assignment and bureaucrat performance. *The Journal of Law, Economics, and Organization 39*(2), 371–419.
- Zamboni, Yves and Stephan Litschig (2018). Audit risk and rent extraction: Evidence from a randomized evaluation in Brazil. *Journal of Development Economics* 134, 133–149.

Appendices

A. Additional Details on In-Depth Interviews	A-1
B. Additional Details on the Design of Brazil's State Prosecutor's Offices .	A-2
C. Location and Descriptive Statistics of States in the Sample	A-6
D. Illustration of Treatment Variation in One State	A-8
E. Municipality Covariates by Treatment Group	A-9
F. Treatment Histories in the Sample	A-10
G. Effect of Federal Anti-Corruption Audits on Prosecutor Presence	A-11
H. Alternative Specifications of Outcomes	A-12
I. Placebo Tests	A-13
J. Carryover Tests	A-14
K. Additional Details on the Survey of Politicians	A-17

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.²⁷ Interviews were done in 45 municipalities in 7 states across 3 different regions of Brazil.²⁸ 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.²⁹ 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.

²⁷41 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.

²⁸Interviews 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).

²⁹Some refused, mostly arguing they did not have time. Two refused due to the research topic.

B Additional Details on the Design of Brazil's State Prosecutor's Offices

This appendix reports additional details on the design of Brazilian state prosecutor's offices, highlighting their relevance for the autonomy and capacity of prosecutors and for the validity of the design.

B.1 Selection

Prosecutors are selected through highly competitive, merit-based civil service examinations. To 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).

B.2 Deployment

Prosecutors are expected to live in the district to which they are deployed. This is established in article 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/Resoluo-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, for which I have data for authorizations to live outside of the district, only 56 out of 453 prosecutors (12.4%) are authorized to live in a different district, as of May 2023.

B.3 Tenure

Once selected, and after a two-year probationary period, prosecutors are appointed for life. Tenured 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).

Prosecutors cannot be removed from their post – once they take an office anywhere in the state, they cannot be forced to leave it. The 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).

B.4 Promotions and Careers

Prosecutors advance in their careers (and move towards more desirable posts if they so desire) based mostly on seniority and the availability of posts. When 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.

Prosecutors' 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 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.

B.5 Pay

Fifth, prosecutors enjoy 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). Salaries 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.

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. Consistent 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.

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), as per article 128 of the Constitution.

B.6 Leadership

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.

B.7 Anti-Corruption Actions

I examine four types of anti-corruption action taken by state prosecutors: 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. Preparatory 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/Resoluo-0232.pdf).

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. 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 (*ação civil pública*) 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.

Recommendations (*recomendações*), which can be issued in the context of preparatory proceedings or civil investigations, request that a party (e.g., a mayor) do or cease to do something to ensure compliance with the law. In 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. Recommendations must include a rationale, a specific action requested, an a deadline. Recommendations sometimes also include the consequences that not following it may have.

Extra-judicial agreements (*termos de ajustamento de conducta*, TACs) are negotiated and, once signed, are binding.Once signed, TACs have the same executive force as a court order. They are similar to the consent decrees used by prosecutors in the United States.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.

C Location and Descriptive Statistics of States in the Sample

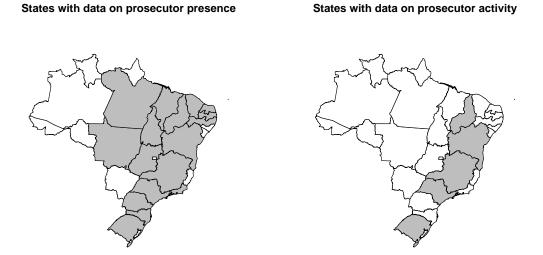


Figure 4: States Included in the Dataset

Table 5: Descriptive Statistics of the States Included in the Dataset	Table 5: De	scriptive S	tatistics o	of the	States	Included	in the	Dataset
---	-------------	-------------	-------------	--------	--------	----------	--------	---------

Region	State	Municipalities	Residents (millions)	Prosecutorial districts	Prosecutors	Data on activity
Northeast	Bahia (BA)	417	14.2	203	586	\checkmark
	Piauí (PI)	224	3.3	64	161	\checkmark
	Paraíba (PB)	223	4	51	211	
	Maranhão (MA)	217	6.8	110	327	
	Ceará (CE)	184	8.8	139	384	
	Pernambuco (PE)	184	9.1	152	443	
	Rio Grande do Norte (RN)	167	3.3	57	207	
Southeast	Minas Gerais (MG)	853	20.5	297	1127	\checkmark
	São Paulo (SP)	645	44.4	318	1982	\checkmark
	Rio de Janeiro (RJ)	92	16.1	81	952	
South	Rio Grande do Sul (RS)	497	10.9	164	695	\checkmark
	Paraná (PR)	399	11.4	162	785	
	Santa Catarina (SC)	295	7.6	111	154	
Center-West	Goiás (GO)	246	7.1	127	414	
	Mato Grosso (MT)	142	3.7	76	244	
North	Pará (PA)	144	8.1	120	336	
	Tocantins (TO)	139	1.5	41	108	
	Total	5068	180.8	2273	9116	

Population figures correspond to the 2022 census. Figures on municipalities, prosecutorial districts, and prosecutors refer to 2020.

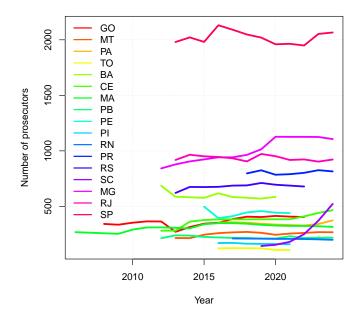
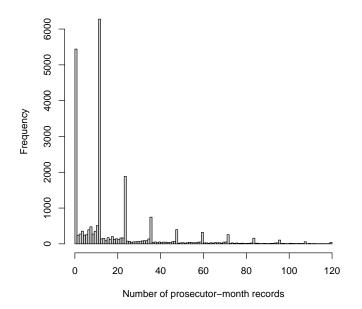


Figure 5: Number of Prosecutors by State and Year

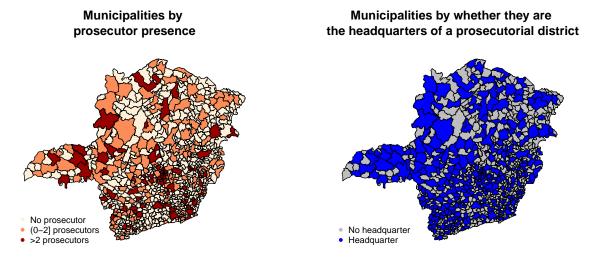
Figure 6: Number of Prosecutor-Month Records in Municipality-Year Observations with Presence Data



The range of the histogram is capped at the equivalent of 10 full-time prosecutors (120 prosecutor-month records).

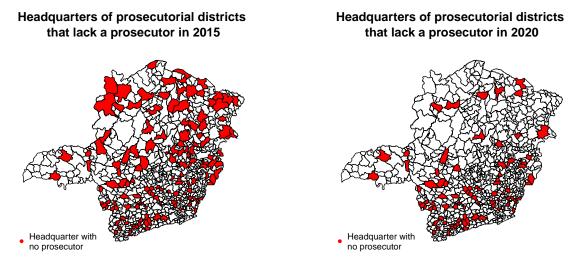
D Illustration of Treatment Variation in One State

Figure 7: 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 8: 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.

E Municipality Covariates by Treatment Group

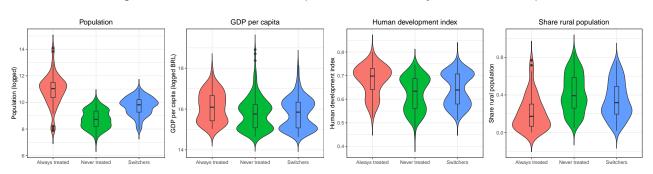


Figure 9: Distribution of Municipal Characteristics by Treatment Group

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.

F Treatment Histories in the Sample

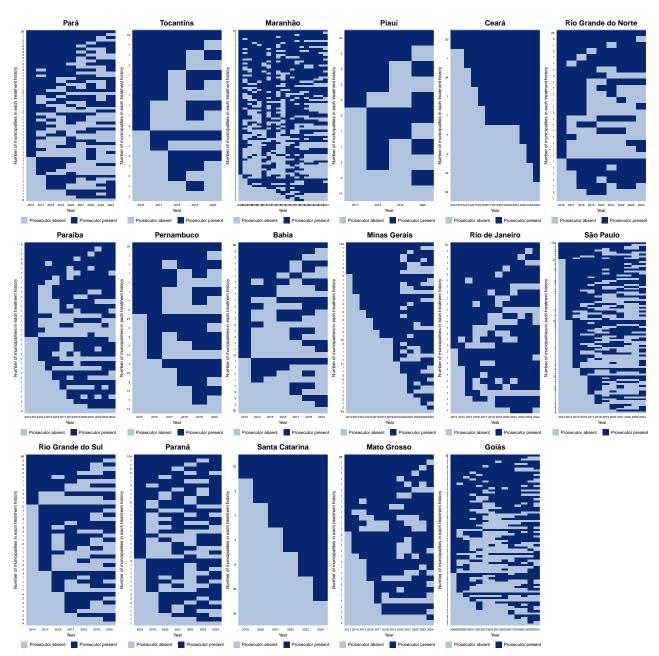


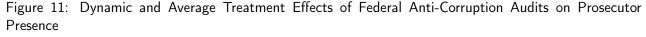
Figure 10: Treatment Status Changes across the States in the Sample

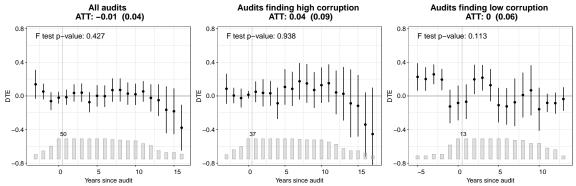
Each row in each subplot corresponds to a unique treatment history in that state, which, in turn, often corresponds to multiple municipalities. Darker (lighter) cells correspond to treated (untreated) observations, i.e., municipalities where a prosecutor is (not) present. Excludes municipalities that do not hold the district headquarters.

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 2015.³⁰ 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 to decrease corruption and increase the chances that mayors will be prosecuted for corruption charges (Avis et al., 2018).

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 even for audits that end up finding high levels of corruption.³¹ While few observations in my sample are exposed to an audit and therefore these tests may be underpowered, the estimated ATTs are all close to zero.





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.

 30 Since 2015, some audits are targeted to municipalities with higher corruption risks – audits since that date are therefore excluded from these analyses.

³¹I follow the standard approach in the literature and measure corruption findings by counting "serious 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

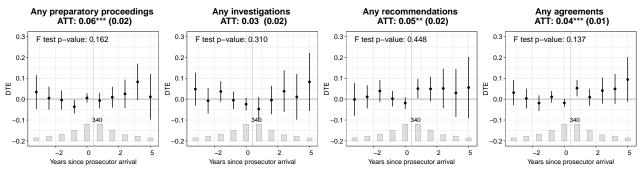


Figure 12: Dynamic and Average Treatment Effects of Prosecutor Presence on Anti-Corruption Action: Binary Outcomes

See notes under Figure 1.

Figure 13: Dynamic and Average Treatment Effects of Prosecutor Presence on Anti-Corruption Action: Logged Outcomes

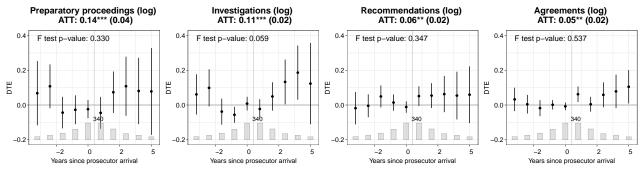
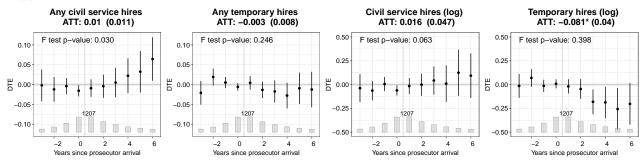




Figure 14: Dynamic and Average Treatment Effects of Prosecutor Presence on New Hires: Binary and Logged Outcomes



See notes under Figure 3.

I Placebo Tests

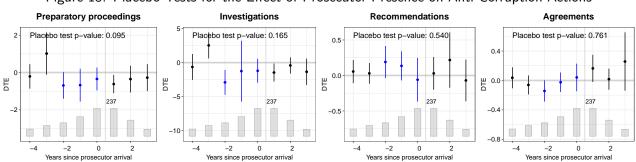
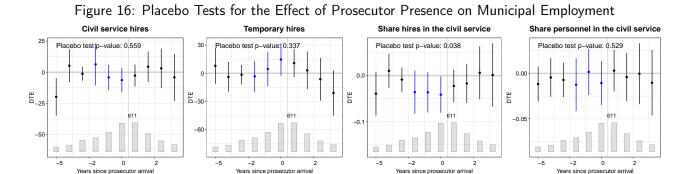


Figure 15: Placebo Tests for the Effect of Prosecutor Presence on Anti-Corruption Actions

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.



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.

J Carryover Tests

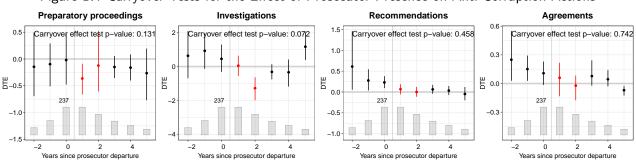
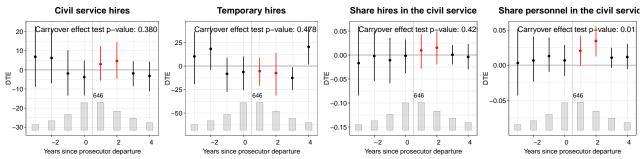


Figure 17: Carryover Tests for the Effect of Prosecutor Presence on Anti-Corruption Actions

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.





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.

K Effects on Public Employment in States with Staggered Adoption

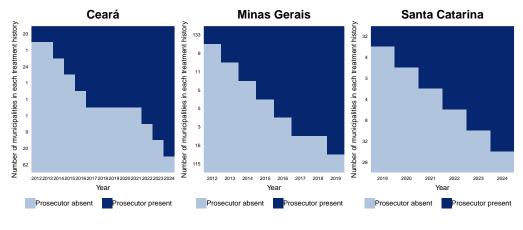


Figure 19: Treatment Status Changes across the States in the Sample with Staggered Adoption

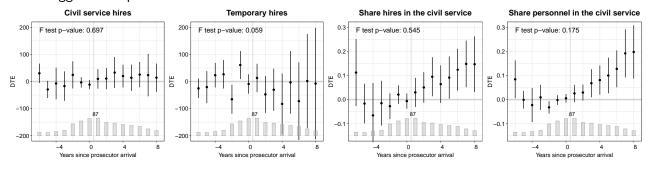
See notes under Figure 10.

Table 6: Average Treatment Effect Estimates of Prosecutor Presence on the Hiring of Municipal Bureaucrats- States with Staggered Adoption

	Civil service hires	Temporary hires		Share personnel in the civil service
ÂTT	18.090 (17.932)	-28.277 (38.584)	0.081** (0.031)	0.082*** (0.0238)
Mean outcome under control	77.559	178.498	0.339	0.647

p<0.10; *p<0.05; **p<0.01; ***p<0.001. See notes under Table 2.

Figure 20: Dynamic Treatment Effect Estimates of Prosecutor Presence on Municipal Employment - States with Staggered Adoption



See notes under Figure 3.

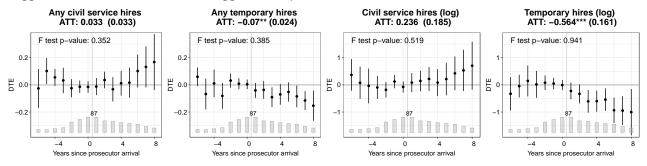
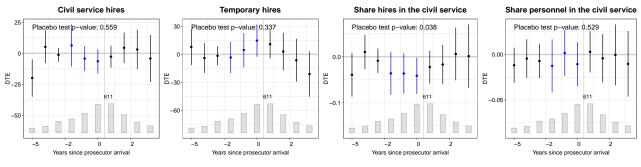


Figure 21: Dynamic and Average Treatment Effects of Prosecutor Presence on New Hires: Binary and Logged Outcomes - States with Staggered Adoption

See notes under Figure 3.

Figure 22: Placebo Tests for the Effect of Prosecutor Presence on Municipal Employment - States with Staggered Adoption



See notes under Figure 16.

L Additional Details on the Politician Survey

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

L.1 Respondent Recruitment and Non-Response

	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

Table 7: Correlates of the number of responses per municipality	Table 7:	Correlates	of the	number	of	responses	per	municipality
---	----------	------------	--------	--------	----	-----------	-----	--------------

 $^{***}p < 0.001; \ ^{**}p < 0.01; \ ^{*}p < 0.05.$ 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.³² 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 7. 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.

³²The 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.

L.2 Descriptive Statistics

	All (N	=455)	Mayors	(N=50)	Secretari	es (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

Table 8: Descriptive Statistics for the Survey of Politicians, by Position

L.3 Alternative Specifications

As shown in Table 9, 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 10). 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 11, 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).

	Meetings with	Agreem	ent with statement:	
	a prosecutor in the past 3 months	"The MP knows this municipality"	"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

Table 9: Correlation between Prosecutorial Presence and Politician Survey Responses – Continuous Outcomes

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

	Met with a prosecutor in the	Agreem "The MP knows	<i>ent with statement:</i> "The MP detects	"I trust
	past 3 months	this municipality"	irregularities here"	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

Table 11: 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"	<i>"The MP detects irregularities here"</i>	"I trust the MP"
Prosecutor present	0.229***	0.082	-0.042	-0.070
Constant	(0.056) 0.332***	(0.043) 0.763***	(0.055) 0.613***	(0.051) 0.799***
	(0.034)	(0.027)	(0.031)	(0.026)
Observations R-squared	450 0.071	455 0.013	455 0.002	455 0.008