Corruption, Political Participation and Outsider Politicians

Thiago de Lucena *

Socorro P. Martínez †

November 8, 2021

Abstract

Recent events in democracies worldwide have drawn a lot of attention to the relationship between corruption and political participation. Some studies have focused on understanding the impact of corruption on the level of trust in institutions. This paper uses a random corruption audit program in Brazil to cast light on the relationship between corruption and political participation. Different from other studies, we analyze impacts at a different electoral level from where the corruption act took place. Empirical analysis shows that while being a standard deviation away from the mean of corruption violations and having random audits released before the election is not associated with a decrease in null voting on the local level, being in the same position of the corruption violation distribution and having random audits released prior to the election is associated with a 4% decrease in null voting in gubernatorial elections. This result casts light on possible spillover effects of corruption and suggests that it may increase political participation when we isolate supply effects. Furthermore, higher corruption and pre-election report release also increase votes for outsider politicians when combined with media prevalence.

*PhD Candidate at the Department of Economics at University of California, Davis
Email: tcoelho@ucdavis.edu

†PhD Candidate at the Department of Economics at University of California, Davis

1 Introduction

Corruption is a complex political, social, and economic phenomenon present in all parts of the globe. The burden it imposes in modern societies is such that former World Bank president James Wolfensohn once referred to it as the "Cancer of Corruption." Fighting it will likely be done on several different fronts, and increasing information and transparency will be one of those. Think thank International Transparency lists information as one of the critical factors in the struggle against corruption, calling information "a human right that can act as a safeguard against corruption."

The relation between corruption and information have been widely investigated by political scientists and economists. Several works focus on the consequences of corruption-related information for incumbent politicians. For example, incumbents who are found to be more corrupt face lower re-election probability (Larreguy et al. [2014], Costas-Pérez et al. [2012], Ferraz and Finan [2008]) and audit programs are associated with a reduction in corruption Ferraz and Finan [2011].

Less is known, however, about the impacts of corruption on voter participation. While some articles have casted light on this question by showing causal evidence that corruption may have no effect Banerjee et al. [2010], Humphreys and Weinstein [2012] or decrease political participation (Chong et al. [2015], De Figueiredo et al. [2011], Giommoni [2020]) this literature focuses on elections where the information released directly involves one candidate. Although valid to analyze the consequences of cases where politicians are directly responsible for the misuse of public funds, this setup is not ideal for evaluating theories suggesting that corruption reduces thrust in the political system. The corrupt politician may affect the supply of candidates confounding effects and mechanisms. For example, suppose a mayor is found to be corrupt. In that case, he may pull out of a subsequent election, leading the race to be less competitive and voters to have lower participation not due to lower trust in the system but because of the level of competitiveness.

There are several reasons to why corruption may lead to a decrease in participation: It may undermine voters confidence in public institutions (Bowler and Karp [2004], Clausen

et al. [2011]) or compromise thrust in the political system in general (Morris and Klesner [2010], Pharr and Putnam [2000], Richey [2010]). Using a simple protest voting framework, I show that if corruption leads voters to reevaluate the utility attributed to each candidate victory by attributing a higher probability that one of them is more corrupt than the other, then the utility gap between candidates may increase, which in turn would lead to higher participation. This may be true to any election, not only those in which the corrupt politician is directly involved.

I show empirical evidence that supports this theory. Using an anti-corruption program that randomly audits municipalities for irregularities in their federal transfer funds, I show that municipalities in which information of violations was released prior to the elections had lower levels of null and blank votes for both mayor and governor (and hence higher participation). This result is interesting for two main reasons: First, while some papers have shown that corruption may have no effect or decrease participation, this is the first cataloged causal case of an increase in participation. Second, I also show that the effects spill over to other positions (Governors) who were are not directly accountable for the funds at a local level.

2 Literature & Contribution

The existing literature linking corruption to turnout is still small, and findings present mixed results. The predominant view in the literature is that corruption affects citizens' participation negatively. Advocates of this relation generally propose that a certain level of trust in politicians and government officials is necessary for political participation. This argument is made more clear in Wagner et al. [2009] and Rothstein [2003], where authors argue that if citizens lower levels of thurst or satisfaction with politicians at various levels of the government, they have less interest in leaving home on election day.

This theoretical argument finds mixed support on empirical analyses. McCann and Domınguez [1998], for example, analyses national-level survey data and establishes that

individuals who think that political corruption is more widespread are less likely to vote in elections than individuals who think that there is less corruption in the political system. Other correlational studies have found similar evidence for individual countries and regions (Kostadinova [2003], Simpser [2004], Stockemer et al. [2013]).

Causal studies supporting this view are scarce, albeit existent. Making use of an experiment in Mexican local elections Chong et al. [2015] shows that voters react to the provision of corruption information by withdrawing from the political process. Focusing on Italian municipalities for the period 1999-2014, Giommoni [2020] also suggests that exposure to corruption has general and negative effects on political participation. Finally, De Figueiredo et al. [2011] conduct an experiment in the Brazilian city of Sao Paulo. After informing voters about the challenger's record of corruption, the authors find that the treatment reduced turnout by 1.9 percentage points.

A second branch of literature suggests that there is no relation between turnout and corruption. Peters and Welch [1980] focus on the U.S. and reports that there is no correlational evidence that corruption and a individuals' likelihood to show up on Election Day are linked. Similarly, Banerjee et al. [2011] find that releasing information about candidates' criminal records prior to the election in India has no causal impact on participation. Stockemer and Calca [2013] is the only study to this date to establish a positive relationship between corruption and participation. While analyzing voting data for Portuguese legislative elections in 2005 and 2009, authors find a positive relation between turnout and corruption. Results should be understood as correlational ones, but authors provide an explanation to conciliate their findings with previous literature. They suggest that the increase in mobilization on the sub-national level may be due to citizens using low corruption municipalities as a benchmark for corruption levels, increasing mobilization to reach those levels. While most studies on the correlation between corruption and participation seem to rely to some extent on the idea that corruption reduces thrust on public servants and politicians (Anderson and Tverdova [2003] Richey [2010] Morris and Klesner [2010]), there is no reason to assume that this reduction in confidence is made homogeneously among all politicians on the political

spectrum. I provide a simple framework to analyze the effects of corruption on turnout.

Furthermore, I analyze the effects of corruption on a different national level to the one violations took place. While analyzing data at the local level when corruption takes place at the local level may have provided valuable contributions to the literature, it has some limitations. First, local-level elections are subject to first-order effects where several effects can be confounded. For example, it is an established result that voters punish corrupt politicians Ferraz and Finan [2008], if this punishment leads elections to be less contested, participation may decrease because voters attribute a lower probability to their vote being pivotal and not because they are actually attributing it to their entire political class.

Second, it is subject to supply effects. Upon receiving information about corruption, it is reasonable to assume that not only voters' priors are updated but also candidates. For example, more corrupt candidates may decide to apply if corruption is higher than expected, discouraging the voter that cares about corruption. Hence, it is crucial to find a setup not subjected to supply-side effects.

3 Background

3.1 Brazilian Electoral System

Brazil is a democratic country, with all of its 5,570 municipalities being governed by a mayor elected every four years in direct elections. Elections in municipalities with more than 200,000 registered voters feature a second-round run-off in case no candidate receives a single majority in the first round. Mayors are term-limited and are allowed to be in office for a maximum of eight years (or two consecutive terms). Voting in Brazil is compulsory, with small sanctions applied in case of absence on election day. Absent voters face a fine of R$3.51 (about US$0.65 in August 2020). However, they are also allowed to "justify" their absence exempting themselves from the paying fine (valid justifications include sickness or being out of the country). Hence, given these light penalties, it is not surprising that even with compulsory voting, a little more than 30 million Brazilians (over 20% of registered voters)

did not vote at the 2018 election. If a voter decides to be present on election day, he faces the choice of voting for a candidate, blank or null. Blank and null votes usually represent a meaningful share of total votes cast by Brazilian on polls; In the 2010 presidential election, Blank and Null votes represented 8.64 % of all votes, with states like Alagoas casting a total of 11.68 % of Blank and Null votes.

Even though Blank and Null are terms usually used interchangeably by Brazilian voters and the media, they are slightly different by some technicalities. A null vote is a vote for a non-existent party or candidate, while a blank vote is a form of a valid vote. If a voter in the voting booth presses the numbers of a nonexisting party, that will count as a Null vote. Since 1998, however, this is unlikely to be done by mistake as voting in Brazil is done electronically. After typing in the number of the candidate, a picture of the candidate, the numerals typed, and its basic pieces of information are displayed to the voter before him, or she confirms the vote. Hence, mistakes are unlikely, and most of the time, these votes are cast intentionally. Blank votes are cast using a "Blank Vote" button on the electronic voting machine. In theory, these are valid votes but for no particular candidate. Since both of these votes are used with similar intentions and in both cases, voters abstain from choosing a candidate, I pool them together and interpret them as a non-participatory vote.

3.2 Random Audit Program

Each year, Brazilian municipalities receive large transfer amounts from the federal government to guarantee local population access to basic public services such as health care, education, and sanitation. These federal transfers are made with usually little to no oversight. Mayors and legislative bodies have the discretion to allocate most of these resources according to their will, opening a sizeable door to mismanagement and corruption. CGU (Controladoria Geral da União) is the federal agency responsible for investigating the proper use of government funds and ensuring transparency of public finances. Targeting a decrease in municipality corruption levels, CGU launched an anti-corruption program aimed at municipal governments in 2003. The so called Programa de Fiscalização por Sorteios Públicos

(Monitoring Program with Public Lotteries), consists of random audits of municipaly use of federally transfered funds. During each round of the program, 60 municipalities were chosen by a publicly held draw in Brasília, where all noncapital municipalities with a population of up to 500,000 inhabitants are eligible for selection. Upon selection, the CGU compiles information on any federal fund transferred to the given municipal government within the past four years. Following that compilation, CGU creates an audit task force for randomly selected specific government projects. Around 15 auditors are then dispatched to the audited municipality for one to two weeks to verify the general delivery of public services associated with the project. Auditors then analyze relevant documents and receipts associated with transferred funds, interview the local population, policymakers, and attempt to find any evidence of misgovernance. It is noteworthy to mention that incentives for corruption are low among auditors; First, the fact that audits are not performed by an individual auditor already makes bribing extremely more costly. Second, auditors earn above-average salaries and are hired based on open public examinations. Upon completion of inspections, a final report describing all the irregularities is submitted to the CGU office in Brasília. This report is made available online by CGU; subsequentially, it is coded and added to a dataset containing other reports and managed internally by CGU.

4 Model

5 Data

I use this dataset as the source to build a corruption measure for the period of 2006 to 2015. Hence my dataset encompasses three Brazilian Gubernatorial Elections (2006, 2010, 2014) and 20 draws (draw 20 to 40). (Figure 1 displays the number of audited municipalities per year. For this period, internal CGU data contains a detailed description of all irregularities found by the auditors for each inspection order. Moreover, this data contains information on the sector, the amount audited, a description of the irregularity, and a classification of

the irregularity.

This classification is made into three categories (1) Formal violation, (2) Moderate violation, or (3) Extreme Violation. Formal violations are clearly the mildest of the three and do not implicate corruption. Examples of this type of violation are documents that were not properly filled out or even not properly formatted. Moderate violations and extreme violations, however, can be interpreted as acts of corruption or mismanagement and are most of the time hard to be separated in terms of intensity. Consider the reports about Nova Glória in draw # 34: Overprice in the purchase of medicines for a public pharmacy was classified as an extreme violation. Meanwhile, several students for which the local government had been receiving federal transfers were found to be non-existent, and this violation was considered moderate. Even though one could argue that overpriced is a more clear act of corruption, both violations seem to imply at least some sort of mismanagement. Hence, In this paper, I use the combination of both as a measure of corruption. For completeness, I also display individual results for some specifications.

Figure 10 displays a histogram for the number of corruption violations found by the municipality. Notice that all municipalities have at least one medium or extreme violations. The distribution is also skewed to the right, showing us that there are some outlier municipalities with extremely high corruption levels. I do not exclude these from the analysis.

Electoral data comes from *Tribunal Superior Eleitoral* (TSE), the Brazilian Superior Electoral Court. This data contains the number of votes as well as personal characteristics of candidates such as gender, race, education, and income for all governors in all governors that participated in races in all 26 Brazilian States. Table 1 shows descriptive statistics for all governors in our sample. Governors are, on average, more educated than the median Brazilian (at least 75% of them attended college in any particular year). They are also more likely to be male and older. The greater age is not surprising, as similar to other countries in the world, the governor is a prestigious position in Brazil for which candidates are usually experienced, mid-career politicians.

Finally, municipality level data comes from the 2000 National census and includes

demographic, economic, and social characteristics of households in each Brazilian municipality. To supplement this, I use data from Perfil Municipio for the availability of media in Brazilian municipalities.

6 Methodology

My main objective is to test if corruption disclosure affects the level of null and blank voting in municipalities where it takes place. Literature has shown that disclosing corruption may increase blank and null voting through protest voting; however, according to the model developed in section 3, the relation between these two is ambiguous. To estimate this relation, ideally I would randomly assign disclosure of corruption across municipalities and then measure the differences in corruption levels across both groups. Since unfortunately, this experiment is unfeasible, given the cross-sectional nature of my data a design of the random audit program, I instead, compare municipalities that have their corruption violations disclosed months before the elections with municipalities whose corruption violations are disclosed months after using the following regression:

$$VS_{msyl} = \alpha + \beta_0 Release_{msyl} + \beta_1 Violations_{msyl} + \beta_2 (Release_{msyl} * Violations_{mysl}) + X_{ms} + \vee_s + \omega_y + \theta_l + \epsilon_{msyl}$$

Where VS_{msyl} is the null or blank vote share in municipality m, state s, electoral cycle y, lottery l, $Release_{msyl}$ released before elections dummy and $Violations_{msyl}$ is the Z-score of number of violations. The term ϵ denotes unobserved variables that determine vote share. In order for our estimate of interest, β_2, to be consistent, a necessary condition is that the timing of the release of corruption audits be uncorrelated with elections timing. Two main reasons contribute to believing that this hypothesis holds true: First, the design of the program guarantees audit reports are released altogether by an independent federal

agency (free from any local influence) only a few months after the draws. Second, if this hypothesis doesn't hold, we should see differences in observables between municipalities audited before and after elections. Results for that analysis can be seen in Table **??** Column (3) displays simple differences between municipalities audited before and after the election. If the timing of audits release is really random, then we shouldn't see any consistent significant difference in characteristics between municipalities audited before and after. Municipalities audited before and after only differ significantly in terms of percentage of the population with high school and in the percentage of households with TV. Nonetheless, when we look at the specification used for my main analysis, none of these point estimates are significant. One way or another, to increase precision, I include these variables as controls in my main specification.

Another challenge faced in estimating corruption effects over participation is isolating the direct effect of dissatisfaction. Voters punishing corrupt politicians is an already well-established result in literature (Ferraz & Finan (2008)). Hence, in municipal elections, it is possible that voters switch to null simply as a substitute to having their preferred politician convicted. I focus on gubernatorial elections in order to isolate this mechanism. Governors have no responsibility for local budgets and hence shouldn't be held accountable for corruption that takes place at the municipality level. Furthermore, focusing on gubernatorial elections isolates supply-side effects also documented in the literature (Giacomini (2020)). In order to estimate the relation between violations and the presence of media, I use a model that adds an interaction of violations with the presence of radio, TV, and the internet. I estimate the following specification:

$$
\begin{aligned}
VS_{msyl} = \alpha + \beta_0 Release_{msyl} + \beta_1 Violations_{msyl} + \beta_2 Media_{msyl} + \beta_3 (Release_{msyl} * Violations_{mysl}) + \\
\beta_4 (Release_{msyl} * Media_{mysl}) + \beta_5 (Violations_{mysl} * Media_{mysl}) + \\
\beta_6 (Violations_{mysl} * Media_{mysl} * Release_{msyl}) + X_{ms} + \vee_s + \omega_y + \theta_l + \epsilon_{msyl}
\end{aligned}
$$

Where the coefficient of interest is β_6 and $Media_{mysl}$, denotes the presence of either internet, TV, or AM radio in the municipality.

7 Results

Table 3 presents the estimation results of models described in the previous section. Both Linear and quadratic specifications present estimators of similar signs and magnitude. On average, a one standard deviation increase on the violations distribution combined with having these violations being released before the election is associated with a significant 0.638 percentage points decrease in null and blank votes on the linear specification and 0.691 percentage points on the quadratic form. The magnitude of this effect is also significant, a 6.5 % and a 7% decrease of a 9.8 percentage points baseline, respectively.

Column (3) displays the results of the semi-parametric estimation. Except for the 4th quintile point estimates increase in absolute magnitude, an result in line with the previous models. Analysis of this specification contributes to the evidence that our results are not driven by the functional form chosen.

One problem with interpreting this decrease in null votes as an increase in participation is that it can be generated by a decrease in turnout. That is, if null votes are decreasing, but turnout is also decreasing, the overall effect on the proportion of the population that casts valid votes is uncertain. Moreover, one could argue that null votes decrease because voters that would vote null are now staying at home. Hence, it is important to analyze the impacts of corruption on turnout.

This analysis is presented in Table 4. Being a further standard deviation from the mean and having audits released before the election is associated with an increase in turn out of 1.79 and 3.57 percentage points for the linear and quadratic model, respectively. Moreover, both estimators are statistically non-significant, which suggests that it is unlikely that a decrease in turnout is the driver of the decrease in null votes.

Tables 6 and 7 display the results of robustness checks of my two preferred speci-

fications. On the quadratic case (6), removing lottery fixed effects increases standard errors and leads to a small absolute reduction in the point estimate (-0.00682 to -0.00614). The same reduction relative to the fully saturated model is observed win the model without State Fixed Effects and controls and without State and Lottery Fixed Effects. I interpret these estimators as contributing to the evidence that my main results are not being driven by a singular choice of model.

Interactions of media are shown in Table 8. I only display the coefficients for the triple interaction. On top of being one extra standard deviation away from the mean and having violations released before the election, having a TV station in the municipality reduces null votes by an extra 1.2 percentage points while having an AM Radio reduces by further by 0.957 percentage. In both cases, estimators are significant at 10 % level. The magnitude of these estimators is also meaningful. When compared to the double interaction, the media interaction coefficients are twice as big (and in the AM Radio case, the only one significant). These findings are in line with the literature: Ferraz and Finan (2008) also find larger effects on the presence of radio.

Local TV stations and AM radios are the most common mean of communication for local news in mid-sized Brazilian municipalities. It is important to notice that even though my sample encompassed the 2006, 2010, and 2014 elections, most of the draws are concentrated in the 2006 and 2010 elections, a time where not many Brazilians didn't have access to the internet. For example, in the 2000 census, less than 3% of households declared to have a computer **??**, a few years later in 2012, only 49% of Brazilian declared having accessed internet in the past three months [1]. Hence it is not surprising that we find no effect for the internet.

What could possibly be responsible for this increase? 9 provides a possible answer. Our linear and quadratic models show a positive relationship between corruption and voting in new candidates. Moreover, the linear model displays an increase in votes for new candidates of 0.515 percentage points, a magnitude very similar to the decrease in null votes

[1] https://www.avellareduarte.com.br/fases-projetos/conceituacao/demandas-do-publico/pesquisas-de-usuarios-atividades-2/internet-no-brasil-2015-dados-e-fontes/internet-no-brasil-2012-dados-e-fontes/

(0.630), and we cannot reject that these estimators are different from each other statistically. The estimator magnitude is also extremely meaningful. It represents a 16 % increase in votes for new candidates.

We also cannot reject that this estimate is different from zero. However, the semi-parametric model suggests that this is a mere consequence of the functional form imposed as three out of four quintiles displays statistically significant increases when compared to the first quintile. Notice, however, that this is not the only dimension in which candidates may be different. Any dimension in which candidates differ, and it is perceived as more likely to be attributed to corruption may lead voters to

8 Conclusion

Using a large national-level anti-corruption program in Brazil, I analyze the impact of corruption disclosures on voter participation. Different from all of the works in previous literature, I analyze the effects of corruption disclosures on an electoral level different from the one where violations took place. I argue that this is an ideal analysis if one wants to evaluate the consequences for the entire political system. I show that an extra standard deviation on the corruption violation distribution and having violations released before the elections is associated with a decrease in null and blank votes of 6.5 %. This increase is even greater for municipalities that have either a local TV station or a local A.M. radio station.

Furthermore, I also show that this increase in voting is accompanied by an increase in voting in new candidates. I suggest that these factors are related as voters use this information to update upwards the probability that a candidate that is part of the political system to be corrupt. The new/old dichotomy, however, may not be the only dimension in which voters updates their believes. Any characteristic that leads to systematic uneven updates from voters may lead voters to may lead to voters reevaluate utility attributed to one candidate's victory, possibly leading to an increase in mobilization.

9 Tables

Table 1: Descriptive Statistics by Electoral Cycle

	2006		2010		2014	
	mean	sd	mean	sd	mean	sd
Age	54.429	10.815	52.874	10.005	47.767	10.519
Attended College %	0.739	0.440	0.756	0.431	0.789	0.409
Attended HS %	0.972	0.167	0.963	0.191	0.989	0.104
Male %	0.886	0.318	0.894	0.309	0.881	0.325
Single %	0.147	0.355	0.175	0.381	0.151	0.359
PT_PSDB_PMDB	0.232	0.423	0.237	0.427	0.259	0.440
Extreme Left %	0.213	0.411	0.294	0.457	0.243	0.430
Extreme Right %	0.090	0.287	0.031	0.175	0.043	0.204
Observations	211		160		185	

Table 2: Balance Checks

	Audited Before	Audited After	Difference	Interaction Difference
Population Total	25942.336	23298.481	2643.855	-5779.593
	.	.	(3996.588)	(6364.279)
White %	0.497	0.473	0.023	-0.019
	.	.	(0.018)	(0.023)
Mixed %	0.424	0.448	-0.024	0.022
	.	.	(0.017)	(0.021)
Black %	0.064	0.060	0.004	-0.005
	.	.	(0.004)	(0.004)
Others %	0.016	0.019	-0.003	0.001
	.	.	(0.003)	(0.002)
Literate %	0.865	0.865	-0.000	-0.001
	.	.	(0.003)	(0.005)
High School %	0.158	0.147	0.011**	-0.006
	.	.	(0.005)	(0.008)
College %	0.026	0.025	0.001	-0.001
	.	.	(0.002)	(0.002)
Single %	0.558	0.569	-0.011	0.005
	.	.	(0.008)	(0.012)
Married %	0.377	0.368	0.009	-0.004
	.	.	(0.007)	(0.010)
Income Mean	351.966	343.283	8.684	0.015
	.	.	(10.817)	(14.695)
Income Median	199.395	194.519	4.876	-1.112
	.	.	(4.819)	(6.003)
Phone %	0.162	0.147	0.015	-0.004
	.	.	(0.011)	(0.014)
Wash Machine %	0.143	0.124	0.018	-0.003
	.	.	(0.011)	(0.014)
Radio %	0.803	0.791	0.011	0.008
	.	.	(0.009)	(0.012)
TV %	0.738	0.718	0.021*	0.005
	.	.	(0.014)	(0.021)
CPU %	0.028	0.025	0.003	-0.003
	.	.	(0.002)	(0.003)

Standard Error in parenthesis

Interaction Difference shows β_3 of the following model:

$Var\_msyl = \alpha + \beta\_0 Release\_msyl + \beta\_1 Violations\_msyl + \beta\_3(Release\_msyl * Violations\_mysl) + \epsilon\_msyl$

Table 3: Effects of Corruption on Null Votes

	(1) Null %	(2) Null %	(3) Null %
Violations*Released	-0.00630**	-0.00682***	
	(0.00281)	(0.00262)	
Violations	-0.000959	-0.000798	
	(0.00114)	(0.00129)	
Released Before	-0.00533	-0.00701	0.00629
	(0.00578)	(0.00592)	(0.00630)
$Violations^2$ *Release		0.00228	
		(0.00156)	
$Violations^2$		-0.000202	
		(0.000566)	
Release* 2nd Quintile			-0.00772
			(0.00520)
Release* 3rd Quintile			-0.0156***
			(0.00501)
Release* 4th Quintile			-0.00388
			(0.00530)
Release* 5th Quintile			-0.0206***
			(0.00606)
Controls	Yes	Yes	Yes
Draw FE	Yes	Yes	Yes
State FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
Mean	0.098	0.098	0.098
Observations	1153	1153	1153
R2	0.598	0.598	0.602

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 4: Effects of Corruption on Turnout

	(1) Turn Out %	(2) Turn Out %	(3) Turn Out %
Violations*Released	0.00209	0.00397	
	(0.00448)	(0.00472)	
Violations	-0.00652***	-0.00900***	
	(0.00244)	(0.00267)	
Released Before	-0.00735	-0.00436	-0.0172*
	(0.00942)	(0.00985)	(0.0102)
$Violations^2$ *Release		-0.00324	
		(0.00245)	
$Violations^2$		0.00248**	
		(0.00110)	
Release* 2nd Quintile			0.00760
			(0.00912)
Release* 3rd Quintile			0.0190**
			(0.00946)
Release* 4th Quintile			0.00854
			(0.00926)
Release* 5th Quintile			0.00844
			(0.0110)
Controls	Yes	Yes	Yes
Draw FE	Yes	Yes	Yes
State FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
Mean	0.808	0.808	0.808
Observations	1153	1153	1153
R2	0.481	0.483	0.484

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 5: Robustness Test

	(1) Null %	(2) Null %	(3) Null %	(4) Null %
Released Before	0.00629	0.00341	0.00484	0.00511
	(0.00630)	(0.00629)	(0.00359)	(0.00423)
Release* 2nd Quintile	-0.00772	-0.00451	-0.00415	-0.00345
	(0.00520)	(0.00531)	(0.00527)	(0.00573)
Release* 3rd Quintile	-0.0156***	-0.0123**	-0.0118**	-0.0166***
	(0.00501)	(0.00495)	(0.00491)	(0.00594)
Release* 4th Quintile	-0.00388	-0.00160	-0.000914	-0.000476
	(0.00530)	(0.00531)	(0.00517)	(0.00593)
Release* 5th Quintile	-0.0206***	-0.0191***	-0.0173***	-0.0156**
	(0.00606)	(0.00602)	(0.00574)	(0.00715)
R2	0.6021	0.5734	0.5700	0.3977
Observations	1153	1162	1162	1153
Lottery FE	Yes	No	No	Yes
State FE	Yes	Yes	No	No
Controls	Yes	Yes	Yes	No

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 6: Robustness Check - Null & Blank

	(1) Null %	(2) Null %	(3) Null %	(4) Null %
Violations*Released	-0.00682***	-0.00614**	-0.00535**	-0.00567**
	(0.00262)	(0.00265)	(0.00248)	(0.00288)
$Violations^2$ *Release	0.00228	0.00154	0.00158	0.00294*
	(0.00156)	(0.00160)	(0.00155)	(0.00161)
Violations	-0.000798	-0.000604	-0.000498	0.00216
	(0.00129)	(0.00129)	(0.00123)	(0.00133)
$Violations^2$	-0.000202	-0.000247	-0.000249	0.000644
	(0.000566)	(0.000592)	(0.000559)	(0.000621)
Released Before	-0.00701	-0.00694	-0.00421*	-0.00544*
	(0.00592)	(0.00577)	(0.00246)	(0.00294)
R2	0.5983	0.5696	0.5663	0.3949
Observations	1153	1162	1162	1153
Lottery FE	Yes	No	No	Yes
State FE	Yes	Yes	No	No
Controls	Yes	Yes	Yes	No

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 7: Robustness Check - Null & Blank

	(1) Null %	(2) Null %	(3) Null %	(4) Null %
Released Before	0.00629	0.00341	0.00484	0.00511
	(0.00630)	(0.00629)	(0.00359)	(0.00423)
Release* 2nd Quintile	-0.00772	-0.00451	-0.00415	-0.00345
	(0.00520)	(0.00531)	(0.00527)	(0.00573)
Release* 3rd Quintile	-0.0156***	-0.0123**	-0.0118**	-0.0166***
	(0.00501)	(0.00495)	(0.00491)	(0.00594)
Release* 4th Quintile	-0.00388	-0.00160	-0.000914	-0.000476
	(0.00530)	(0.00531)	(0.00517)	(0.00593)
Release* 5th Quintile	-0.0206***	-0.0191***	-0.0173***	-0.0156**
	(0.00606)	(0.00602)	(0.00574)	(0.00715)
R2	0.6021	0.5734	0.5700	0.3977
Observations	1153	1162	1162	1153
Lottery FE	Yes	No	No	Yes
State FE	Yes	Yes	No	No
Controls	Yes	Yes	Yes	No

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 8: Effects of Media Interaction on Voting

	(1) Null %	(2) Null %	(3) Null %
Violations*Released	-0.00294	-0.00502*	-0.00445
	(0.00424)	(0.00298)	(0.00314)
Violations*Released*Internet	-0.00595		
	(0.00500)		
Violations*Released*TV Station		-0.0120*	
		(0.00648)	
Violations*Released*AM Radio			-0.00957*
			(0.00518)
Mean	0.0979	0.0979	0.0979
Controls	Yes	Yes	Yes
N	1153	1153	1153

Standard errors in parentheses

Media Information Source: Perfil Munic 2009

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 9: Effects of Corruption on New Politicians

	(1) New Cand. %	(2) New Cand. %	(3) New Cand. %
Violations*Released	0.00478	0.00515	
	(0.00629)	(0.00709)	
Violations	-0.00423	-0.00371	
	(0.00304)	(0.00394)	
Released Before	-0.000395	0.000763	-0.0205
	(0.0124)	(0.0133)	(0.0171)
$Violations^2$ *Release		-0.00126	
		(0.00320)	
$Violations^2$		-0.000415	
		(0.00108)	
Release* 2nd Quintile			0.0234**
			(0.0116)
Release* 3rd Quintile			0.0420*
			(0.0223)
Release* 4th Quintile			0.0230*
			(0.0123)
Release* 5th Quintile			0.00376
			(0.0182)
Controls	Yes	Yes	Yes
Draw FE	Yes	Yes	Yes
State FE	Yes	Yes	Yes
Year FE	Yes	Yes	Yes
Mean	0.031	0.031	0.031
Observations	903	903	903
R2	0.613	0.613	0.616

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

10 Figures

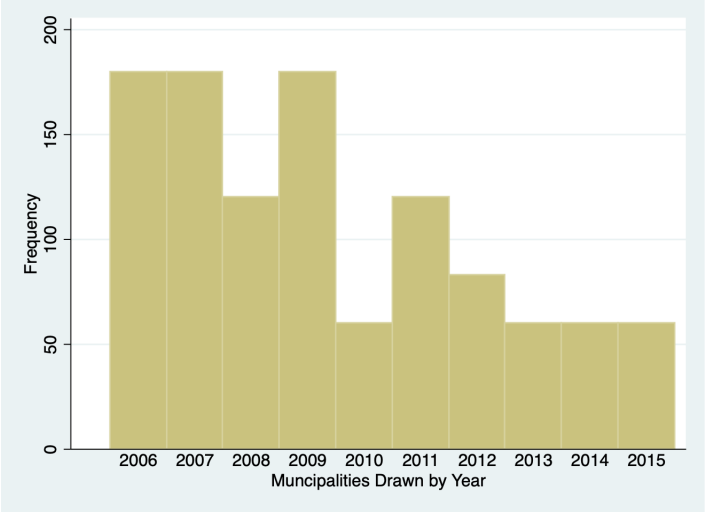

Figure 1: Distribution of Audited Municipalities per Year

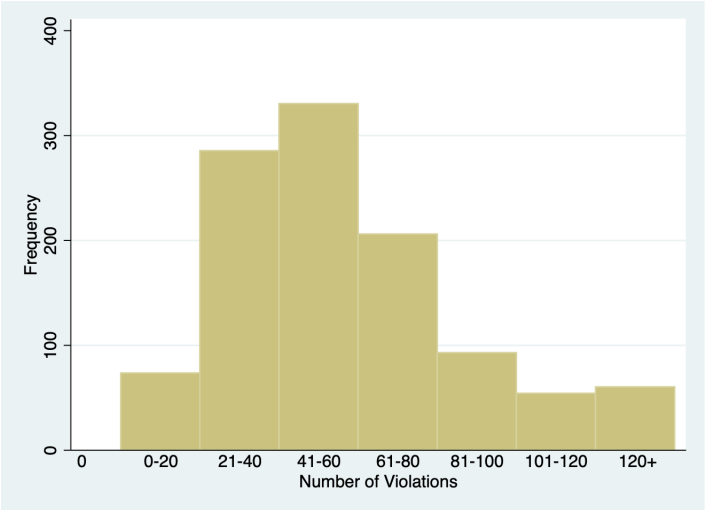

Figure 2: Distribution of Audited Municipalities per number of Violations

References

C. J. Anderson and Y. V. Tverdova. Corruption, political allegiances, and attitudes toward government in contemporary democracies. *American Journal of Political Science*, 47(1): 91–109, 2003.

A. Banerjee, S. Kumar, R. Pande, and F. Su. Do informed voters make better choices? experimental evidence from urban india, 2011.

A. V. Banerjee, R. Banerji, E. Duflo, R. Glennerster, and S. Khemani. Pitfalls of participatory programs: Evidence from a randomized evaluation in education in india. *American Economic Journal: Economic Policy*, 2(1):1–30, 2010.

S. Bowler and J. A. Karp. Politicians, scandals, and trust in government. *Political Behavior*, 26(3):271–287, 2004.

A. Chong, A. L. De La O, D. Karlan, and L. Wantchekon. Does corruption information inspire the fight or quash the hope? a field experiment in mexico on voter turnout, choice, and party identification. *The Journal of Politics*, 77(1):55–71, 2015.

B. Clausen, A. Kraay, and Z. Nyiri. Corruption and confidence in public institutions: Evidence from a global survey. *The World Bank Economic Review*, 25(2):212–249, 2011.

E. Costas-Pérez, A. Solé-Ollé, and P. Sorribas-Navarro. Corruption scandals, voter information, and accountability. *European Journal of Political Economy*, 28(4):469–484, 2012.

M. F. De Figueiredo, F. D. Hidalgo, Y. Kasahara, et al. When do voters punish corrupt politicians? experimental evidence from brazil. *Unpublished manuscript, UC Berkeley*, 2011.

C. Ferraz and F. Finan. Exposing corrupt politicians: the effects of brazil's publicly released audits on electoral outcomes. *The Quarterly journal of economics*, 123(2):703–745, 2008.

C. Ferraz and F. Finan. Electoral accountability and corruption: Evidence from the audits of local governments. *American Economic Review*, 101(4):1274–1311, 2011.

T. Giommoni. Exposure to corruption and political participation: Evidence from italian municipalities. *Working Papers, UTH Zurich*, 2020.

M. Humphreys and J. Weinstein. Policing politicians: citizen empowerment and political accountability in uganda preliminary analysis. *Columbia Universities. Unpublished manuscript*, 2012.

T. Kostadinova. Voter turnout dynamics in post-communist europe. *European journal of political research*, 42(6):741–759, 2003.

H. A. Larreguy, J. Marshall, and J. M. Snyder Jr. Revealing malfeasance: How local media facilitates electoral sanctioning of mayors in mexico. Technical report, National Bureau of Economic Research, 2014.

J. A. McCann and J. I. Domınguez. Mexicans react to electoral fraud and political corruption: an assessment of public opinion and voting behavior. *Electoral studies*, 17(4):483–503, 1998.

S. D. Morris and J. L. Klesner. Corruption and trust: Theoretical considerations and evidence from mexico. *Comparative Political Studies*, 43(10):1258–1285, 2010.

J. G. Peters and S. Welch. The effects of charges of corruption on voting behavior in congressional elections. *The American Political Science Review*, pages 697–708, 1980.

S. J. Pharr and R. D. Putnam. Officials' misconduct and public distrust: Japan and the liberal democracies. 2000.

S. Richey. The impact of corruption on social trust. *American Politics Research*, 38(4): 676–690, 2010.

B. Rothstein. Social capital, economic growth and quality of government: The causal mechanism. *New Political Economy*, 8(1):49–71, 2003.

A. Simpser. Making votes not count: Strategic incentives for electoral corruption. 2004.

D. Stockemer and P. Calca. Corruption and turnout in portugal—a municipal level study. *Crime, Law and Social Change*, 60(5):535–548, 2013.

D. Stockemer, B. LaMontagne, and L. Scruggs. Bribes and ballots: The impact of corruption on voter turnout in democracies. *International political science review*, 34(1):74–90, 2013.

A. F. Wagner, F. Schneider, and M. Halla. The quality of institutions and satisfaction with democracy in western europe?a panel analysis. *European Journal of Political Economy*, 25(1):30–41, 2009.