



## Politics and Governance

“Programa de Fiscalização a Partir de Sorteios Públicos”  
(Brazil)

Implemented by the Brazilian Office of the Comptroller General (“Controladoria Geral da União”, CGU) from 2003 onwards to discourage corruption and to stimulate civic participation in the monitoring of public spending, the program was based on two main components:

- (i) selection of municipalities through lotteries, performed by a large national public bank (“Caixa Econômica Federal”) a few times a year, to **investigate corruption or mismanagement of the resources transferred by the federal government** - lottery dates were always unknown and the chances of being audited during a political term varied between 10% to 25% in the different states of the country;
- (ii) **disclosure of the main findings on the internet** and on major media vehicles.

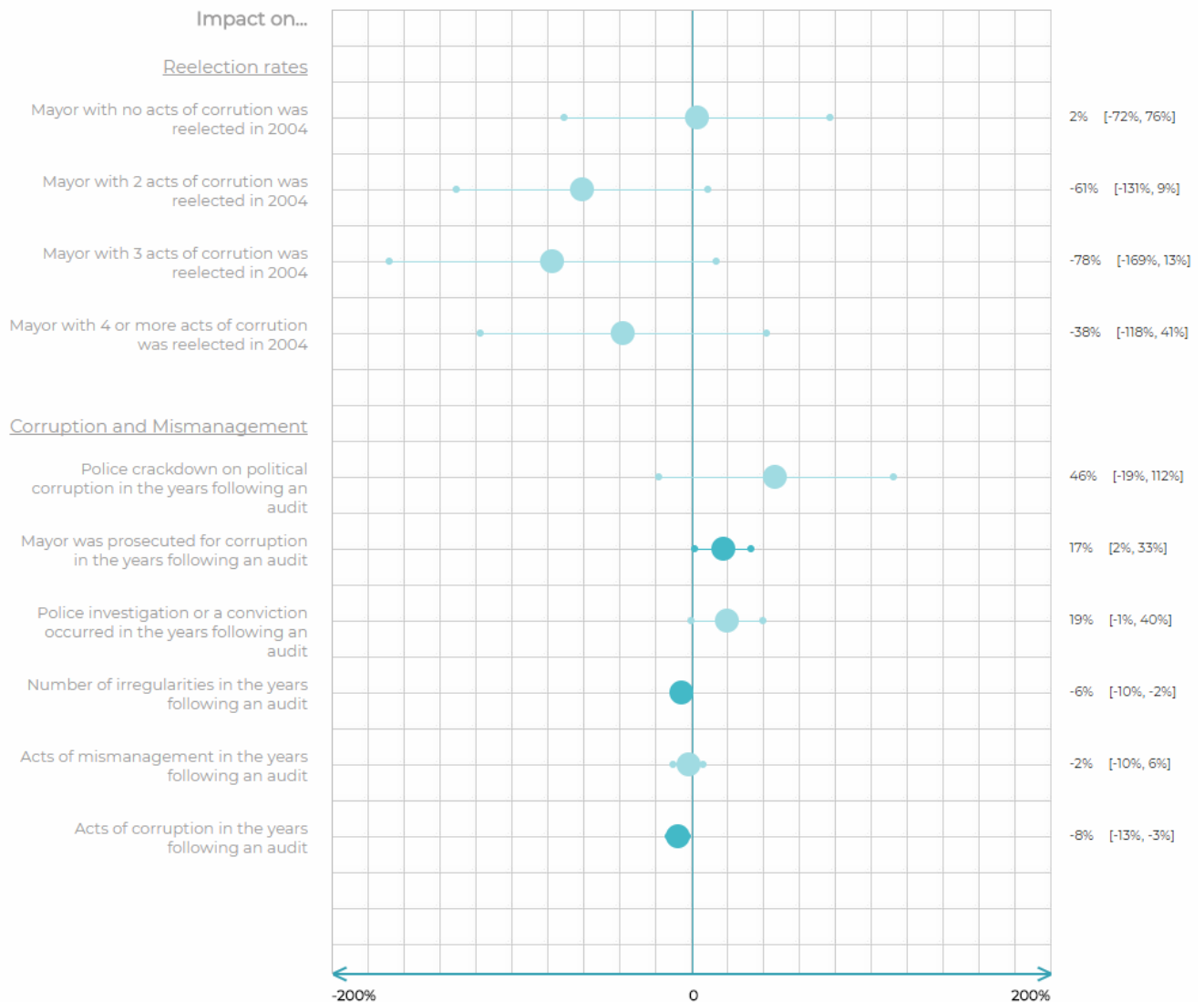


## Impacts on audited municipalities

- On the 2004 elections, the **reelection rate** of mayors involved in corruption detected by the audits **was lower**
- In the years following the audits, mayors **were 17% more likely to be prosecuted** for involvement in acts of corruption and
- Likewise, **police crackdowns** on political corruption, and **police investigation or conviction** were **more likely**
- Over the same period, **irregularities** found by the auditors (which consisted of corruption or acts of mismanagement) and **corruption** related to the transfer of federal government resources **dropped by 6% and 8%**, respectively



(for more information click here)



The presented results were taken from the academic articles of [Eric Avis](#), [Claudio Ferraz](#) and [Frederico Finan](#)

References:

Ferraz, C., & Finan, F. (2008). Exposing corrupt politicians: the effects of Brazil's publicly released audits on electoral outcomes. *The Quarterly Journal of Economics*, 123(2), 703-745.

Avis, E., Ferraz, C., & Finan, F. forthcoming. "Do Government Audits Reduce Corruption? Estimating the Impacts of Exposing Corrupt Politicians." *Journal of Political Economy*.

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Updated in: January/2018