HOLLYWOOD HILLS, Calif. — Eleven armed FBI agents crept around a stone-and-glass house here just before dawn. An AR-15 rifle and four other guns were registered to the man in the house.

“FBI warrant,” the agents called out, and a man in a T-shirt and shorts emerged.

It was no drug lord. The target was a doctor who moonlighted as a movie producer with an Alec Baldwin comedy to his credit. The Justice Department charged the doctor, Robert A. Glazer, with writing prescriptions and certifications resulting in $33 million of fraudulent Medicare claims.

The raid in May capped a year-long investigation by the Medicare Fraud Strike Force, a joint effort by the Justice
Department and Department of Health and Human Services. Raids that day in six cities resulted in the busts of 90 Medicare providers, including 16 doctors, who were separately charged with generating a total of $260 million of false Medicare billings.

The odds are slim of retrieving much of that money if the providers plead guilty or are convicted. Law-enforcement officials involved in the effort estimate that fraud accounts for as much as 10% of Medicare’s yearly spending — which would amount to about $58 billion in bogus payments in the 2013 fiscal year. Yet the U.S. government recovered just $2.86 billion in Medicare funds that year.

“Usually the money gets away,” said Special Agent-in-Charge Glenn R. Ferry, who oversees HHS/Office of Inspector General’s strike-force operations in Los Angeles, which charged Dr. Glazer. “As soon as it hits an account, it disappears.”

Many strike-force investigations, including the Glazer case, start with an agent behind a computer screen, eyeing page after page of Medicare claims data, looking for unusual billing patterns. In April, the government publicly released data on doctor billing for the first time after a legal effort by The Wall Street Journal to make the information public.

Federal prosecutors alleged that the Glazer fraud stretched over eight years and involved prescribing patients equipment and hospice and home-health services they didn’t need — and in a lot of cases didn’t receive. In return for referrals, the equipment and service providers allegedly paid kickbacks to the 68-year-old Dr. Glazer.

In an email, Dr. Glazer described the charges against him as “one-sided and grossly inaccurate.” He said his lawyer has forbidden him from discussing the case before trial. His lawyer declined to comment.

The Glazer case comes as the strike force increasingly targets physicians. “You need a doctor in all the schemes,” said David A. O’Neil, a deputy assistant attorney general for the criminal division who supervises strike-force prosecutions.

He said the team charged 36 doctors with health-care fraud in the 2013 fiscal year, compared with just three in 2007, when many cases dug into fraud involving durable medical equipment such as wheelchairs.
The claims database reveals that some alleged bad actors have been in the Medicare system for years.

Because Congress has mandated that Medicare pay providers within 30 days of receiving claims, investigators play catch-up. “We’re working behind the eight ball,” said the Los Angeles strike force’s Mr. Ferry.

In 2009, Vahe Tahmasian and Eric Mkhitarian used a straw buyer to purchase a medical-equipment company and then to enroll in Medicare, according to an indictment. When an inspector working for the Centers for Medicare and Medicaid Services, the agency that administers the federal health-insurance program for the elderly and disabled, visited the company, Mr. Tahmasian showed a fake California driver’s license with the straw buyer’s name, according to evidence presented at trial.

The men operated for about a year, using stolen beneficiary numbers to bill Medicare, before CMS referred the case to the strike force, according to the evidence at trial. But it was too late to stop the money. The men billed the program $1.5 million in two years, prosecutors said.

When Mr. Tahmasian went on trial this year, he testified he wasn’t aware of fraud going on at the company. In March, he was found guilty in a California federal court of health-care fraud and identity theft. In July, he was sentenced to 10 years in prison. The Justice Department said Mr. Mkhitarian has been a fugitive since the charges were announced. Only $146,243 was recovered.

It is a huge challenge to track billings. About 4.5 million claims funnel through the system each day. Medicare spent some $583 billion last year.

CMS has been working to address the fraud problem. It has instituted temporary enrollment moratoriums on “high-risk” providers in targeted areas, and has been bulk ing up its provider-enrollment process with fingerprinting and site visits. It also launched a predictive-analysis data program, called the Fraud Prevention System, which scans fee-for-service claims for suspect behavior.

The two-year-old program aims to, among other things, identify bad actors before they get paid. In fiscal year 2013, it spawned leads for 469 new investigations and identified or prevented $211 million in improper payments — nearly double that of the first year, but still tiny compared with the estimated tens of billions lost.

“It’s still early days” for the system, said Shantanu
Agrawal, deputy administrator and director of CMS’s Center for Program Integrity. He said the effort underlines a broader shift at the agency from “pay and chase” to “stopping dollars from flowing out the door.”

The strike force’s Los Angeles team includes about 20 investigators and prosecutors working out of multiple offices, including a shiny tower in the suburbs near a strip mall dotted with family restaurants and chain stores.

Last fiscal year, the strike force’s nine offices charged 350 people with health-care fraud, up from 122 charged when the strike force had just two offices. One agent described dealing with the voluminous number of potential cases as “Whac-A-Mole.”

Dr. Glazer attracted attention from authorities long before this year’s charges.

In 1994, he was indicted with six others for an alleged referral scheme between 1986 and 1993. He was accused of paying $73,454 to a marketer during one 3 1/2-year stretch to send him patients, according to California Superior Court documents obtained through a public-records request.

Court documents indicate that the case was dismissed after a judge ruled that the prosecution’s witness testimony was inadmissible. Dr. Glazer was never excluded from billing Medicare, but patient complaints over billing prompted CMS several years ago to place him on “prepayment review,” according to people familiar with the situation. That meant any claims made to Medicare were manually reviewed by CMS contractors, a measure intended to prevent improper billing.

Dr. Glazer was removed from the review list around 2009, these people said, although it isn’t clear whether CMS decided to take him off or if he appealed to an administrative judge. CMS said it doesn’t comment on administrative actions against individual providers.

It is difficult to permanently ban a provider from Medicare. A criminal conviction or a loss of a state medical license can provide grounds to take a provider out of the system, and CMS can revoke billing privileges for reasons such as failing to comply with Medicare rules.

Since 2011, CMS has revoked about 20,000 providers. But a provider can eventually appeal or reapply to return to the program.

Dr. Glazer received a medical degree in Mexico from the University of Guadalajara, according to the Medical Board of California. On his Facebook profile, where he sometimes refers to himself as “Dr. G,” he writes that he is “multifa-
cited,” that he “can ride and jump horses, take photos,” that he has been an associate producer on three movies, and that there is “nothing like the sound of a real, V-12 Ferrari.”

At one point in late 2011, he announced on Facebook: “Fantastic news! The medical board has ended the investigation against me. It’s all over!”

The only evidence in the doctor’s public medical records of any investigation is a March 2012 public reprimand by the Medical Board of California for “gross negligence” and “failure to maintain adequate and accurate medical records” in connection with his treatment of a patient complaining of dizziness and memory problems.

The strike force began investigating him after sorting through years of his payment claims in the Medicare database, according to people familiar with the investigation. Such database searches look for “the sort of medically impossible or medically unlikely scenario,” said Supervisory Special Agent Robin McIlroy, who oversees the FBI’s part of the strike force.

Between 2006 and 2014, Dr. Glazer’s family practice billed Medicare about $2 million, according to an affidavit by FBI Special Agent Janine Li, who was part of the investigation team.

When agents cross-referenced his Medicare provider number with other parts of the database — including claims data for home-health agencies, hospice and durable medical equipment — large billing numbers stood out, according to a person familiar with the investigation.

“Once you start crunching the data, you start to see
“everything,” said Mr. Ferry, the special agent-in-charge.

In the same eight-year time period, Dr. Glazer’s referrals to home health-care companies resulted in billings to Medicare for $16.5 million, and referrals to medical-equipment companies resulted in billings of about $5.4 million, the FBI’s Ms. Li said in her affidavit. Hospice services added up to about $10 million, according to a person familiar with the case.

Outliers popped up in the data. Using Dr. Glazer’s prescriptions, Medicare paid $2.5 million to one home-health agency down the hall from his office, while a local hospice was the recipient of nearly all his referrals, according to the person familiar with the case. Generally referrals are more spread out between multiple providers, said a person familiar with health-care fraud.

The volume of motorized-wheelchair prescriptions in the data stunned the agents — an average of 134 a year, compared with a typical doctor working with elderly people who prescribed as few as one or two, according to the affidavit.

As the investigation progressed, agents in unmarked cars drove to Dr. Glazer’s clinic in Hollywood and watched. Located in a strip mall, along with a Salvadoran fast-food restaurant, a check cashier and a medical-supply company, the office received many elderly patients who spoke English as a second language, said the people familiar with the investigation.

The agents interviewed patients drawn from the data, and a common allegation emerged: Dr. Glazer was billing Medicare for patient services sometimes never rendered and farming out patients to other providers, according to the indictment.

One female patient, referred to in the affidavit as “MVL,” told agents she was offered a free powered wheelchair.

Dr. Glazer’s clinic used several marketers to recruit patients, a person familiar with the case said. Some offered free diabetic shoes. One marketer, later named as a co-conspirator, would become a cooperating witness in the case.

An unnamed woman drove the patient referred to as MVL to Dr. Glazer’s clinic, where Dr. Glazer said to expect a wheelchair, according to the affidavit. Along with the wheelchair, several other things arrived, the patient told agents. A back brace she didn’t need came one day, and the clinic called to say that they were sending a nurse, which she refused.

Dr. Glazer charged the patient’s Medicare account for five services totaling $555, including a home visit and electrocardiogram, a heart test, which she told agents she never received, according to the indictment.
Dr. Glazer also began to pass along the patient’s Medicare number to other providers, prescribing services the patient wouldn’t receive, the affidavit says.

One equipment company billed the patient’s Medicare account $680 for a back brace, bilateral knee braces and a heating pad, while a home-health agency submitted $1,080 worth of claims for eight home-health visits, according to the affidavit. Only two of those visits were made, though the patient hadn’t asked for them, and her daughter told the nurse not to come back, the affidavit says.

For the prescriptions, Dr. Glazer was paid a kickback, the affidavit says. The indictment didn’t specify how much he allegedly received. People familiar with the investigation say a doctor could get a kickback of as much as $1,200 for prescribing a motorized wheelchair that could cost Medicare between $3,000 and $6,000.

The indictment identified as a co-conspirator Dr. Glazer’s office manager, who wasn’t named, who the indictment said also happened to be co-owner of the nearby home-health agency. That agency was the recipient of many of Dr. Glazer’s referrals, according to one of the people familiar with the investigation.

The indictment alleged that the office manager acted as a middleman between Dr. Glazer and the marketers as well as the agencies paying for the prescriptions.

In a court appearance on May 13, the day of the raid, Dr. Glazer stood in a black polo shirt, his hair tousled, as the judge read the charges. He stared ahead.

The judge said a condition of his release on a $200,000 bond was that he not bill government programs. A trial is scheduled for February.

As the hearing ended, the judge ordered Dr. Glazer to surrender his guns and instructed agents to return to his house for them. Dr. Glazer gave up the AR-15 rifle and ammunition, but said the other guns were no longer in his possession.