The 1972 Olympic Games
Held in Munich Germany, first Olympic games held in Germany after WWII
The Event occurred in the Olympic Village, which is where the athletes live during the Olympics
WHAT HAPPENED

During the second week of the games, a Palestinian terrorist group known as Black September, broke into the Olympic Village and took hostage 11 Israelis (5 coaches and 6 athletes).

Having a long standoff with the Munich Police, the Palestinians requested that 249 prisoners be released from Israeli jails.

After faking an agreement to their demands, the Palestinians and the hostages were transported to a helicopter to go to a nearby NATO base where ambush plans were set in place.

When the ambush plan failed, the Palestinians responded.

The leader of Black September, Issa, fired on the Israelis and then threw a grenade into their helicopter and killed all 11 of the Israelis.

The majority of the Black September group was either killed (5) or taken prisoner.
AFTERMATH

The Olympic games were clearly now covered in a cloud of sorrow and mourning. The games were suspended for a short period of time, first time in modern Olympics history. Many nations showed their respect and mourned the tragedy. The Black September members who were killed were giving full military honors upon their burials in Libya, which Israel later bombed as a response. The athletes at the games felt the mood of the games had completely changed and lost the desire to compete. Harsh criticism came over the Munich police, the German army, and other NATO forces who failed to rescue and protect these hostages.
The first wave of criticism hit the German Police and Military. The criticism was centered around the lack of preparation for dealing with hostage scenarios like the crisis (however due to international laws following WWII the German army couldn’t operate in the rescue). There was a lack of communication from the planners to the operatives in the rescue attempt. There was also lack of execution as many of the rescuers realized they were in a suicide mission. There was an overall criticism of both NATO and CIA abilities to prevent such attacks, as well as overall security of the games.
The most obvious of the changes that followed was the increase of security at the Olympic Games and at the Olympic Village.

The CIA and NATO operatives also increased their surveillance on terrorist groups, however, it's hard to tell if it was a direct response to this event or an overall push towards higher security in the modern terrorist age.

The change in cost of security of the Olympics is staggering (2 million in 1972, over 850 million at the London 2012 games).

13,500 military personnel protected the athletes at the 2012 games.

Montreal 1976 security cost was 20 times higher than 1972, which shows immediate security response.

China spent 6.5 billion dollars on security in the Beijing 2012 games.

As expected, Olympic Village is much more secure now.